

**IN THE INCOME TAX APPELLATE TRIBUNAL
LUCKNOW BENCH 'SMC', LUCKNOW**

BEFORE SHRI ANADEE NATH MISSHRA, ACCOUNTANT MEMBER

I.T.A. No.750/Lkw/2025
Assessment Year:2019-20

Abdulla S/o Mr. Abdul Kayum Opposite Hazi Yaqoob Masjid, Salarganj, Bahraich-271801 PAN:CSCPA5342M (Appellant)	Vs.	Assessment Unit Income Tax Department/ Income Tax Officer-1, Bahraich. (Respondent)
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Appellant by	Shri K. R. Rastogi, C. A. Shri Shubham Rastogi, C.A.
Respondent by	Shri R.R.N. Shukla, Addl. CIT (D.R.)

ORDER

(A) This appeal vide I.T.A. No.750/Lkw/2025 has been filed by the assessee for assessment year 2019-20 against impugned appellate order dated 26/08/2025 (DIN & Order No.ITBA/NFAC/S/250/2025-26/1080023442(1) of Commissioner of Income Tax (Appeals) ["CIT(A)" for short]. In this appeal the assessee has raised the following grounds:

- "1. That Notice u/s 148A(d) dated 13.03.2023 and Notice u/s 148 of I.T. Act both dated 17.03.2023 has been issued by Income

Tax Officer-1, Bahraich, who have no Jurisdiction to issue the same in view of CBDT Circular / Notification dated 29.03.2022 wherein it has been specifically enumerated that the NFAC has exclusive power to issue the Notice u/s 148 of I. T. Act, 1961, hence the present assessment is invalid as per law.

2. *That the reopening is bad in law & liable to be quashed in as much as when no addition has been made on the issue on which reopening is made then the Assessing officer is not empowered to make addition on any other issue not found mentioned in the notice u/s 148, hence the present assessment is without jurisdiction and is invalid.*
3. *That the Ld. CIT(A) NFAC erred on facts and in confirming the estimation of Net Profit @ 8% without considering that Assessee is engaged in the business of purchase of Cattle Feed being Bhoosa, Rice Bran, Wheat Bhoosi etc. from the Agriculturist in remote area and selling it mostly through Banking Channel and that the Books of accounts of the Assessee are audited, hence the estimation of Income @ 8% Rs.40,12,655/- against the Net Profit of 0.99% declared by the Assessee is highly excessive, contrary to the facts and nature of the business of the Assessee.*
4. *That the Assessee has shown Gross Profit of Rs.14,93,241/- and Net Profit at Rs.4,98,482/- from this business on the basis of audited books of account. However, estimation of Business Income @8% which is Rs.40,12,655/- without bringing out any contrary evidence or justification or comparable cases and without appreciating the nature of Business: where margin of profit is very low, hence the excessive estimate made is contrary to the facts of the case and principle of natural justice.*
5. *The present addition made is highly excessive, contrary to the facts, law and principles of natural justice and without allowing sufficient opportunity to have its say on the reasons of estimating the Income at Rs.40,12,655/- by applying 8% Profit and making addition of Rs.35,14,175/- (Rs.40,12,655 - Rs.4,98,482)."*

(B) In this case assessment order dated 14/03/2024 was passed by the Assessing Officer u/s 147 read with section 144B of the I. T. Act whereby the assessee's total income was determined at Rs.40,12,655/-, as against nil income shown in the return of income filed u/s 139 of the Act and income of Rs.4,98,482/- declared by the assessee in the return of income filed u/s 148 of the Act. In the aforesaid assessment order, an addition of Rs.35,14,175/- was made by the Assessing Officer by estimating the assessee's income at Rs.40,12,655/-. The Assessing Officer, in the assessment order, observed as under:

4. Conclusion drawn .

The assessee has not filed return of income u/s 139 and also not furnished audit report as per the provisions of Act within due date. The assessee had filed return of income in response to the notice u/s 148 of the Income tax Act, 1961 on 27/01/2024 declaring total income at Rs 4,98,482/-. During the course of assessment proceedings, several notices U/s 142(1) and letters were issued to the assessee. However, the assessee has furnished reply. The assessee has shown sales turnover of Rs 5,01,53,197/-.

In his reply assessee has stated that the assessee is engaged in the business of Cattle Feed (PasuChara) which is purchased by the Assessee from the Farmers of Bahraich, who are Agriculturist and the assessee is not maintaining any Stock Register for PasuChara as it includes different kinds of agriculture produce as available in the field of Agriculturist.

The assessee has furnished bank statement, purchase ledger, cash book , Bank book, computation of income and audit report signed on 26-Jan-2024 which was done during the course of scrutiny proceedings. The Ledger and profit and-loss accounts were made without providing any verifiable and justifiable evidence on record. It is to be noted that the assessee has not filed return of income u/s 139 and also not furnished audit report as per the provisions of Law within due date.

Though the assessee has stated that the Assessee is engaged in the business of Cattle Feed (PasuChara) which is purchased by the Assessee from the Farmers of Bahraich, who are Agriculturist and purchases are mostly made in cash as the assessee purchased the cattle feed being Bhoosa, Wheat Bhoosi, Rice bhoosi, Khali and Barseem etc. which is available in the Agriculture field of the Agriculturist of Bahraich District. Same is sold to different customers either through cheque or through Cash. During the year, the assessee has sold the said PasuAahar to the tune of Rs. 5,01,58,197/-. However, the assessee has not furnished any sale bill/invoices for such sale but received most of the payment through banking channel.

The assessee has furnished reply to show-cause notice and objected the estimation of profit @8%. It is to be noted that the assessee has himself not given any evidence in respect of the profit shown in his return in response to notice u/s 148. The assessee has furnished some print outs of ledger. The entries made there are not verifiable. The assessee has received sizable amount of money through banking channel but the assessee has not furnished any sale bill as on record. The assessee has not furnished any documents which proves the validity of quantum of purchases and expenses and even sale. In absence of any documentary evidence or satisfactory explanation the profit declared by the assessee is not acceptable. The assessee has not furnished true facts of his affairs.

The assessee has not provided any documents related to proof of the business activities to the extent shown in his submissions. Further, the assessee has not filed return of income whose turnover was to the tune of Rs.5,01,58,197/-. The ledgers such as sale, purchase, expenditures etc provided by the assessee are not verifiable due lack of documentary evidences.

In absence of verifiability and exact nature of documents, there is no way to calculate the profit except to estimate the profit as per the provisions of Act. The Act provides 8% of profit of turnover in case of 44AD. The same principle is applied to estimate the profit only.

The assessee has not furnished any documents/explanation supported with necessary evidences in support his claim. The profit shown by the assessee is rejected. In absence of any satisfactory explanation, business income is estimated @8% of the total turnover as shown by the assessee. Thus, the assessee has not disclosed business income of Rs 40,12,655/- (8 % Rs. 5,01,58,197/-) while filing his return of income. The assessee has shown an amount of Rs 4,98,482/- under Profits and gains from business or profession in his return u/s 148. Hence, the difference amount of Rs.35,14,175/- (40,12,655 - 4,98,482) is added under the head Profits and gains from business or profession.

(B.1) The assessee filed appeal in the office of the learned CIT(A), which was dismissed by learned CIT(A) vide aforesaid impugned appellate order dated 26/06/2025. The relevant discussion and findings of learned CIT(A) in the aforesaid impugned appellate order are reproduced below:

DISCUSSION AND FINDINGS

Ground No. 1 and 2: General Challenge to Assessment Order

8. The first two grounds are general in nature challenging the validity of the assessment order. These grounds lack specificity and merit. The assessment order has been passed after due consideration of the facts and circumstances of the case,

following proper procedure under the faceless assessment scheme. The assessee was given adequate opportunities to present his case and explain the transactions. Multiple notices were issued under Section 148(1) and show cause notices were issued before finalizing the assessment. The assessment order demonstrates proper application of mind by the Assessing Officer in examining the business activities, turnover, expenses, and profit margins declared by the assessee.

8.1 The Assessing Officer has recorded detailed findings in paragraphs 4.1 to 4.4 of the assessment order where it is noted: "Though the assessee has stated that the Assessee is engaged in the business of Cattle Feed (PasuChara) which is purchased by the Assessee from the Farmers of Bahraich, who are Agriculturist and purchases are mostly made in cash.. However, the assessee has not furnished any purchase/sale bill/invoices, etc. The assessee has not provided any documents related to proof of the business activities. Further the assessee has not filed return of income whose turnover was to the tune of Rs.5,01,58,197/-."

8.2 The assessment order further records: "The assessee has not furnished any documents/explanation supported with necessary evidences in support his claim. In absence of any satisfactory explanation, business income is estimated @8% of the total receipt in the Bank accounts." This demonstrates that proper examination was conducted before arriving at the conclusion.

8.3 Accordingly, Ground No. 1 and Ground No. 2 are hereby dismissed as they lack merit and specificity.

Ground No. 3 and 6: Addition of Rs. 35,14,175/- by Estimating Profit at 8%

9. The appellant has challenged the addition of Rs. 35,14,175/- made by estimating net profit at 8% of the turnover, contending that such estimation is arbitrary and excessive. This ground requires detailed examination of the facts and circumstances leading to such estimation.

9.1 The assessment order records in paragraph 4.3: "The assessee has shown sales turnover of Rs 5,01,58,197/-. However, files return u/s 148 declaring income of Rs 4,98,482/-. The assessee has not filed return of income u/s 139. Further, the assessee has shown sales turnover of Rs 5,01,53,197/- but did not audit his books of accounts during the period and also not filed the audit report as per the due date."

9.2 The Assessing Officer has noted that despite the assessee's claim of being engaged in cattle feed business with detailed explanations about purchases from agriculturists, "the assessee has not furnished any purchase/sale bill/invoices, etc. The assessee has not provided any documents related to proof of the business activities. Further, the assessee has not filed return of income whose turnover was to

the tune of Rs.5,01,58,197/-. The ledgers such as sale, purchase, expenditures etc provided by the assessee are not verifiable due lack of documentary evidences."

9.3 The assessment order specifically records: "The assessee has furnished bank statement, purchase ledger, cash book, Bank book, computation of income and audit report signed on 26-Jan-2024 which was done during the course of scrutiny proceedings. The Ledger and profit and loss accounts were made without providing any verifiable and justifiable evidence on record. It is to be noted that the assessee has not filed return of income u/s 139 and also not furnished audit report as per the provisions of Law within due date."

9.4 After giving detailed opportunity to the assessee through show cause notice dated 23.02.2024, the Assessing Officer recorded: "The assessee has not furnished any documents/explanation supported with necessary evidences in support his claim. In absence of any satisfactory explanation, business income is estimated @8% of the total turnover as shown by the assessee."

9.5 The appellant's contention that 8% profit estimation is arbitrary is not sustainable in law. The Supreme Court in *CIT v. Kachwala Gems* (2006) 288 ITR 10 (SC), relied upon by the appellant himself, has held that while authorities should try to make an honest and fair estimate of income even in a best judgment assessment and should not act totally arbitrarily, there is necessarily some amount of guess work involved in a best judgment assessment. The Court observed: "There was no arbitrariness in the instant case on the part of the authorities. The assessee himself who is to blame as he did not submit proper accounts."

9.6 In the present case, the assessee despite claiming to be engaged in legitimate business activities, failed to produce any documentary evidence such as purchase bills, sale invoices, delivery challans, or any other supporting documents to substantiate the claimed transactions. The profit rate of 8% applied by the Assessing Officer is reasonable considering the volume of business claimed by the assessee and is in line with the provisions of Section 44AD of the Income Tax Act which provides for presumptive taxation at 8% for certain businesses.

9.7 Furthermore, the assessee's own audit report was prepared only during the course of assessment proceedings on 26.01.2024, which indicates that proper books of account were not maintained properly. The assessment order records that "The assessee has not provided any documents related to proof of the business activities to the extent shown in his submissions."

9.8 The estimation at 8% cannot be considered excessive or arbitrary when the assessee has failed to produce any verifiable evidence despite multiple opportunities. The Assessing Officer has applied a reasonable rate considering the nature of

claimed business and the lack of supporting documentation.

9.9 Accordingly, Ground No. 3 and Ground No. 4 are hereby dismissed as they lack merit.

Ground No. 4: Rejection of Books of Account

10. The appellant has contended that the Assessing Officer erred in rejecting the books of account without pointing out specific defects. This contention is not sustainable in view of the detailed findings recorded in the assessment order.

10.1 The assessment order enumerates the defects found in the books of account. It is recorded: "The assessee has not furnished any purchase/sale bill/invoices, etc. The assessee has not provided any documents related to proof of the business activities. Further, the assessee has not filed return of income whose turnover was to the tune of Rs.5,01,58,197/-. The ledgers such as sale, purchase, expenditures etc provided by the assessee are not verifiable due lack of documentary evidences."

10.2 In the case of **Awadhesh Pratap Sing Abdul Rehman & Bros V. Commissioner of Income Tax - 1993 (12) TMI 28 - ALLAHABAD High Court**, it was held that "where a stock register, cash memos etc., coupled with other factors like vouchers in support of the expenses and purchases made are not forthcoming and the profits are low, it may give rise to a legitimate inference that all is not well with the books and the same cannot be relied upon to assess the income, profits or gains of an assessee."

10.3 In the present case, the assessee failed to produce any stock register, purchase invoices, sale bills, delivery challans, or any other supporting documents despite claiming to have undertaken business transactions worth over Rs. 5 crores. The audit report was prepared only during assessment proceedings, indicating that proper contemporaneous records were not maintained.

10.4 The assessment order specifically records: "In absence of verifiability and exact nature of documents, there is no way to calculate the profit except to estimate the profit as per the provisions of Act. The Act provides 8% of profit of turnover in case of 44AD. The same principle is applied to estimate the profit only."

10.5 The rejection of books of account is fully justified under Section 145(3) of the Income Tax Act as the Assessing Officer was not satisfied about the correctness and completeness of the accounts due to absence of supporting documentary evidence.

10.6 Accordingly, Ground No. 4 is hereby dismissed.

Ground No. 5: Validity of Reopening under Section 148A

11. The appellant has contended that the reopening under Section 148A is invalid as no addition was made on the ground for which reopening was done, and has relied on the ITAT decision in the case of **ABC Infrapromoters Pvt. Limited v. ITO** (ITA No. 572/LKW/2017) and other cases.

11.1 This contention requires careful examination of the facts and the legal position. The reopening in the present case was based on specific information received regarding cash deposits of Rs. 28,21,600/- and cash withdrawals of Rs. 4,91,10,000/- which suggested that income chargeable to tax had escaped assessment.

11.2 The assessment order records that during the course of proceedings, the assessee provided explanations for these cash transactions. The assessee explained that "source of Cash Deposit in the Bank with Indian Bank, Bahraich Main Branch, Account No. 50300372318 is proceeds from Cash Sale of PasuChara. In addition to this, the cash we also deposit cash in Bank on different dates out of Cash in hand available with Cash book as per need of the business which was earlier withdrawal from Bank for purchases of Pasu Aahar from Agriculturist duly recorded in the Cash Book."

11.3 However, the crucial distinction in the present case is that while the assessee provided explanations for the cash deposits and withdrawals, the Assessing Officer found that these explanations were not supported by adequate documentary evidence. The assessment order records: "The assessee has not furnished any documents/explanation supported with necessary evidences in support his claim."

11.4 The **ABC Infrapromoters** case relied upon by the appellant is distinguishable on facts. In that case, the ITAT held that when the Assessing Officer accepts the explanation regarding the income on which reopening was based and makes no addition on that ground, then he cannot make additions on other grounds without fresh proceedings. However, in the present case, the Assessing Officer did not fully accept the explanations provided by the assessee due to lack of supporting evidence.

11.5 The assessment order demonstrates that the addition was made precisely because the explanations regarding the cash deposits and withdrawals were found to be unsupported by verifiable evidence. The estimation of profit at 8% was done because the assessee failed to substantiate the claimed business transactions that were supposed to explain the cash movements.

11.8 In the present case, the examination of cash deposits and withdrawals led to the discovery that the assessee was claiming to have conducted business transactions worth over Rs. 5 crores but failed to maintain proper books of account or produce supporting evidence. This constitutes income that escaped assessment which came

to notice during the course of proceedings.

11.9 The case of **Balithal Gram Seva Sahakari Samiti Ltd.** cited by the appellant is also distinguishable as in that case, the ITAT specifically found that no addition was made on account of cash deposits and the addition was made on an entirely different ground. In the present case, the addition is directly related to the business activities that were supposed to explain the cash deposits and withdrawals.

11.10 Moreover, the reopening was validly done under the faceless assessment scheme based on specific information available with the department, and all procedural requirements under Section 148A were duly complied with.

11.11 Accordingly, Ground No. 5 is hereby dismissed.

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CONCLUSION

12. After careful consideration of all the grounds of appeal, written submissions of the appellant, assessment order, and relevant case laws, I find that the appeal lacks merit on all grounds.

12.1 The assessee, despite claiming to be engaged in legitimate business activities involving turnover of over Rs. 5 crores, failed to produce any documentary evidence to support such claims. The books of account were rightly rejected due to lack of supporting evidence, and the estimation of profit at 8% is reasonable and justified under the circumstances.

12.2 The reopening was validly done based on specific information, and the addition made is directly related to the income that escaped assessment. The cases relied upon by the appellant are distinguishable on facts and do not support the appellant's contentions.

12.3 All the grounds of appeal are hereby dismissed, and the assessment order dated 14.03.2024 passed by the Assessing Officer is upheld.

13. The appeal is dismissed.

(B.2) The present appeal has been filed by the assessee against the aforesaid impugned appellate order dated 26/08/2025.

(C) In the course of appellate proceedings in Income Tax Appellate Tribunal, a paper book containing the following particulars was filed from the assessee's side:

PAPER INDEX

S.No.	Particulars
1.	Brief facts of the case
2.	Copy of tax audit report u/s 44AB for assessment year 2019-20
3.	Copy of audited balance sheet and profit & loss account as on 31/03/2019

(C.1) The aforesaid paper book included "Brief facts of the Case", which are reproduced below for the ease of reference:

REGARDING ADDITION OF RS. 35,14,175/- BEING ESTIMATION OF NET PROFIT @ 8%(RS. 40,12,655/- LESS RS. 4,98,482 ALREADY SHOWN AS NET PROFIT).

It is prayed that Assessee is engaged in the business of **Cattle Feed (Pashu Chara)** which is purchased by the Assessee from the **Farmers of Bahraich, who are Agriculturist**. The cattle feed was later on sold to different parties. During this year, we have purchased Cattle Feed from Agriculturist to the tune of Rs. 4,84,08,156/- . Mostly purchases were made in cash as we purchased the cattle feed being Bhoosa, Wheat Bhoosi, Rice Bhoosi, Khali and Barseem etc. which is available in the Agriculture field of the Agriculturist of Bahraich District. Same is sold to different customers either through cheque or through Cash. During the year, we have sold the said **Pashu Aahar** to the tune of Rs. 5,01,58,197/-.

Before the Ld. Lower Authorities, we submitted the following details :-

- (i) Copy of Audited Balance Sheet and Profit and Loss Account and Audit Report u/s 44AB of I. T. Act for the year ending 31.03.2019.
- (ii) Copy of Bank Statement with Indian Bank, Account No. 50300372318 for the period from 01.04.2018 to 31.03.2019.
- (iii) Copy of Cash Book for the period 01.04.2018 to 31.03.2019 wherein all the transactions regarding purchases of Pashu Aahar and Sale of Pashu Aahar and expenses in conducting the business on day to day basis under the different heads are duly recorded.
- (iv) Copy of Bank Ledger,

- (v) Copy of Sale Ledger in which Name of the Party to whom we have made sale of Pashu Aahar have been duly shown along with copy of some sale invoices.
- (vi) Copy of Purchase Ledger giving details of purchases made during the year.
- (vii) Copy of Ledger Account of Parties from where it is verified that payment of sale of Pashu Aahar has been duly received through Banking Channel from these parties and only in few cases cash sales have been made.

Copy of Affidavit of some Agricultarists from whom the assessee has purchased Pashu Chara. In this regard it is that mostly the Agriculturist are illiterate and therefore, it is not possible to substantiate all purchases of PasuAahar from Agriculturist. It is further explained that Cattle Feed from Agriculturist to the tune of Rs. 4,84,08,156/-. Mostly purchases were made in cash as we purchased the cattle feed being Bhoosa, Wheat Bhoosi, Rice Bhoosi, Khali and Barseem etc. which is available in the Agriculture field of the Agriculturist of Bahraich District. Due to nature of item purchased it is not possible that any purchase vouchers from agriculturist can be procured. It is also explained that Cash Purchase of **PasuAahar from Agriculturist is permissible as per Rule 6DD [e] of Income Tax Rules 1962** which is reproduced as under :-

Rule 6DD [e] “Where the payment is made for the purchase of –

- (i) *Agricultural or forest produce; or*
- (ii) *The produce of animal husbandry (including livestock, meat, hides and skins) or dairy or poultry farming; or*
- (iii) *Fish or fish products; or*
- (iv) *The products of horticulture or apiculture,*

to the cultivator, grower, or producer of such articles, produce or products.

All these details were duly examined by Ld. A. O. and no adverse inference has been drawn regarding purchase and Sale of Pashu Aahar. However, the Ld. A. O. estimated the Net Profit @ 8% which is Rs. 40,12,655/- which is also upheld by Ld CIT(A). Accordingly, addition of Rs. 35,14,100/- (Rs. 40,12,655 – 4,98,482) is upheld by the Ld. Lower Authorities.

It is prayed that the Assessee has filed its Income Tax Return in compliance to notice u/s 148 of I. T. Act on 07.01.2024 at an Income of Rs. 4,98,482/- being Net Profit @ 0.10% approx. of Total Sale of Rs. 50158197/- as per Audited Profit and Loss Account. Further Bhoosa, Wheat Bhoosi, Rice Bhoosi, Khali and Barseem etc are kept in open area and due to bad weather i. e. rain etc, sometimes the cattle feed become unusable and we have to suffer it. Due to this reason, the Profit margin is also very low.

Further, Assessee also incurred expenses as stated in the Profit and Loss Account under the different heads being Loading, Unloading, Salary and other Expenses to the tune of Rs. 9,94,759/- which are incurred solely and exclusive for the purpose of the business.

The Ld AO has verified these details and has not brought on record any adverse view and accepted Sales and purchases. However, solely on the reasons that “ *In absence of verifiability and exact nature of documents, there is no way to calculate the profit, except to estimate the profit as per the provisions of the act. The Act provides 8% of profit of turnover in case of 44AD. The principal is applied to estimate the profit only.* ” Estimated Net Profit being 8% at Rs. 40,12,655 and made the estimated addition of Rs. 35,14,175/- (Rs. 40,12,655/- less Rs. 4,98,482 already shown as net profit). The said estimates and reasoning of the Ld AO has also been upheld by Ld CIT(A), NFAC.

In this regard, following case law is relevant :-

Kachwala Gems Vs. JCIT reported in 288 ITR 10 (SC) The Hon'ble Supreme Court has held that in best judgement assessment there should not be any arbitrariness. The authorities should not act in an arbitrary manner and must make an effort to compute an honest and fair estimate of the income of the assessee. The Observations of the Hon'ble Supreme Court are as under :-

“Whether no doubt, authorities concerned should try to make an honest and fair estimate of income even in a best judgment assessment, and should not act totally arbitrarily but there is necessarily some amount of guess work involved in a best judgment assessment”.

(D) At the time of hearing, learned Authorized Representative for the assessee submitted that the legal grounds raised in the appeal, vide ground Nos. 1 and 2 of the appeal were not being pressed. Since these grounds are not pressed, ground Nos. 1 and 2 of the appeal are dismissed.

(D.1) Remaining grounds i.e. ground Nos. 3, 4 & 5 relate to estimation of the assessee's income at Rs.40,12,655/-. For the sake of convenience, these grounds are being disposed of together. At the time of hearing, learned A.R. for the assessee admitted that the assessee did not have supporting evidence for purchases claimed by the assessee. However, he submitted that the estimation of income at 8% of the turnover was excessive and unreasonable which should be scaled down. Learned Departmental Representative submitted multiple deficiencies can be attributed to the assessee. Firstly, he submitted, the assessee did not show any income in the return filed u/s 139 of the I. T. Act; but showed income of Rs.4,98,482/- in the return filed later u/s 148 of the I. T. Act. Thus, he submitted, by assessee's own admission, income was not reported in return u/s 139 of the I. T. Act. Secondly, auditing of accounts was done by the assessee during assessment proceedings u/s 147 of the I. T. Act; which was beyond the prescribed time. Also, the assessee did not provide evidence for verification of purchases claimed by the assessee, the learned D.R. for Revenue submitted. In his rejoinder, the learned A.R. for the assessee fairly admitted that in view of the deficiencies on the part of the assessee, as pointed out, the present case required estimation of income. However, he once again submitted that

the profit estimated by the Assessing Officer was excessive, which should be scaled down. Learned D.R. further submitted that the assessee purchased materials directly from the farmers and agriculturists and not through any intermediary, therefore, it is a reasonable conclusion that the assessee must have earned high profit. Therefore, he contended the profit estimated by the Assessing Officer, and upheld by learned CIT(A), cannot be said to be excessive or unreasonably high. He supported the order of the learned CIT(A) and the Assessing Officer and placed reliance on the contents of the order.

(E) Both sides have been heard. Materials on record have been perused. The controversy in the present case that is now required to be resolved is whether the estimation of income at 8% of the turnover is excessive and unreasonably high. Though the learned A.R. for the assessee contended accordingly, no material has been brought for consideration of the Bench to show that the assessed income was excessive or unreasonably high in the facts and circumstances of the present case. The orders passed by the Assessing Officer and the learned CIT(A) are found to be just and fair in the facts and circumstances of the case. As the appellant has failed to bring any material for consideration of the Bench to establish that the income assessed was excessive or unreasonably high, the impugned appellate order of the learned CIT(A) is upheld. Further, no case is made from the side of the appellant that he was not provided reasonable opportunity by the Assessing Officer or by the learned CIT(A). Accordingly, the aforesaid addition of Rs.35,14,175/- made by the Assessing Officer in the aforesaid assessment order is sustained. Thus, grounds 3, 4 and 5 of appeal are dismissed.

(F) All the grounds of appeal are treated as disposed of in accordance with the aforesaid directions.

(F.1) In the result, the appeal is dismissed for statistical purposes.

(Order pronounced in the open court on 05/02/2025)

Sd/.
(ANADEE NATH MISSHRA)
Accountant Member

Dated:05/02/2025
*Singh

Copy of the order forwarded to :

1. The Appellant
2. The Respondent.
3. Concerned CIT
4. D.R., I.T.A.T.,