

आयकर अपीलीय अधिकरण, कटक न्यायपीठ, कटक

IN THE INCOME TAX APPELLATE TRIBUNAL CUTTACK BENCH CUTTACK

BEFORE SHRI GEORGE MATHAN, JUDICIAL MEMBER

AND

SHRI MADHUSUDAN SAWDIA, ACCOUNTANT MEMBER

आयकर अपील सं/ITA No.646/CTK/2025

(निर्धारण वर्ष / Assessment Year : 2016-2017)

Hrudananda Sahu, At-Lachut, Saintala, Bolangir-767032	Vs	ITO, Ward-1, Bolangir
PAN No. : MPOPS 7342 C		
(अपीलार्थी / Appellant)	..	(प्रत्यर्थी / Respondent)
निर्धारिती की ओर से / Assessee by	:	Shri Jagamohan Pattanaik, Advocate
राजस्व की ओर से / Revenue by	:	Shri Vijay Singh, Sr. DR
सुनवाई की तारीख / Date of Hearing	:	18/02/2026
घोषणा की तारीख / Date of Pronouncement	:	18/02/2026

आदेश / O R D E R

Per Bench :

This is an appeal filed by the assessee against the order of the Ld.CIT(A), National Faceless Appeal Centre (NFAC), Delhi, dated 15.10.2025 for the assessment year 2016-2017.

2. It was submitted by the Ld.AR that the assessee is an individual, who is doing trading in onion & potato. It was submission that during the course of assessment, the AO had issued notice u/s.148 of the Act and the assessee had filed its return of income. There was a deposit in the bank account of the assessee to an extent of Rs.57,12,900/-. It was submission that the AO brought to tax the entire cash deposits of Rs.57,12,900/- as the undisclosed income of the assessee. It was submission that the assessee had also made purchases through the bank account and the same were through transfers to the suppliers of the onions and potatoes. It was

submission that the assessee has been earning 8 to 10% from his business.

It is the prayer that the income of the assessee may be estimated.

3. In reply, the Id. Sr. DR submitted that the assessee has not proved that he is a dealer in onions and potatoes. It was submission that the assessee should be directed to prove his business.

4. In reply, the Ld. AR submitted that in subsequent years also the assessee has been filing his return from its dealing in potatoes and onions and though no scrutiny assessment has been done, the returns have been accepted under section 143(1) of the Act.

5. We have considered the rival submission. A perusal of the paper book filed by the assessee, most specifically the copy of the bank accounts shows that there are both deposits and withdrawals from the said bank accounts. Clearly this is the business activity of the assessee. When there are both credits and withdrawals from the bank account, obviously in the worst case scenario would be to assess the peak credits. Even the provisions of section of 44AD of the Act provides for assessing the income at 8%. This being so, as the assessee has been declaring an income of 10% for the subsequent years, in the interest of justice, the AO has directed to assess the income of the assessee at 10% of the total cash deposits.

6. In the result, appeal of the assessee is partly allowed.

Order dictated and pronounced in the open court on 18/02/2026.

Sd/-
(MADHUSUDAN SAWDIA)

लेखा सदस्य/ **ACCOUNTANT MEMBER**

Sd/-
(GEORGE MATHAN)

न्यायिक सदस्य / **JUDICIAL MEMBER**

दिनांक Dated 18/02/2026

Prakash Kumar Mishra, Sr.P.S.

आदेश की प्रतिलिपि अग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant -
2. प्रत्यर्थी / The Respondent-
3. आयकर आयुक्त(अपील) / The CIT(A),
4. आयकर आयुक्त / CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, कटक / DR, ITAT, Cuttack
6. गार्ड फाईल / Guard file.

सत्यापित प्रति //True Copy//

आदेशानुसार/ BY ORDER,

(Assistant Registrar)

आयकर अपीलीय अधिकरण, कटक/ITAT, Cuttack