

IN THE INCOME TAX APPELLATE TRIBUNAL, CUTTACK BENCH CUTTACK

BEFORE SHRI GEORGE MATHAN, JUDICIAL MEMBER AND
SHRI MADHUSUDAN SAWDIA, ACCOUNTANT MEMBER

ITA No. 774/CTK/2025
(Assessment Year: 2017-18)

Srikanta Pradhan, At-Anadipur, P.O. Biru, Chhendipada, Distt.- Anugul, Angul-759100 (Odisha) PAN No. CLFPP 4550 G	Vs.	I.T.O., Ward-Anugul. Anugul.
Appellant/ Assessee		Respondent/ Revenue

Assessee represented by	Shri K.K. Bal, A.R.
Department represented by	Shri Sanjib Banerjee, Sr.DR
Date of hearing	25/02/2026
Date of pronouncement	25/02/2026

ORDER

PER: BENCH

1. This is an appeal filed by the assessee against the order of the Id. CIT(A), NFAC, Delhi in Appeal No. CIT(A), Bhubaneswar-2/10366/2019-20 dated 27/02/2025 for the A.Y. 2017-18.
2. Shri K.K. Bal, Id. A.R. appeared on behalf of the assessee and Shri Sanjib Banerjee, Sr.DR represented on behalf of the revenue.
3. It was submitted by the Id. AR that the assessee drives income from trading in eggs and potatoes. It was the submission that the assessee does his business in the village area. It was the submission that the total turnover of the assessee was Rs. 28,80,000/-. The Assessing Officer considered the bank account of the assessee and found that the assessee had deposited Rs. 15,80,000/- during the demonetization

period, out of which Rs. 15,05,000/- were deposited in the form of Specified Bank Notes (SBN). It was the submission that the said amount was part of the business turnover of the assessee and the business income of the assessee has been estimated at 8% of the turnover after deleting the addition made of Rs. 15,05,000/-. It was the submission that the entire business turnover of the assessee is in cash because the transactions is purchase and sale of eggs and potatoes. It was the submission that the Assessing Officer has also applied 8% presumptive tax. It was the prayer that the eggs and potatoes are perishable commodities and the assessee having once sold the perishable commodity, the assessee is bound to take whatever currency the customer provides, failing which he would lose the entire sale proceeds itself. It was the prayer that the addition as made by the Assessing Officer may be deleted.

4. In reply, Id. Sr.DR vehemently supported the orders of the Assessing Officer and Id. CIT(A).
5. We have considered the rival submissions. Perusal of the facts in the present case clearly shows that the assessee is deriving income from trading in eggs and potatoes which are admittedly the perishable items. No variation in the turnover has been found. The assessment has been done only on the ground that there is substantial deposit of SBN in the bank account maintained by the assessee. Admittedly, the Assessing Officer also admits that the turnover of the assessee is Rs. 28,80,000/-.

The assessee's sale receipts are consisting of the SBN, obviously, the same cannot be treated as undisclosed income of the assessee specially when it has been shown in the bank account of the assessee and the assessee is not required to maintain books of account and the Assessing Officer has also accepted the fact that the turnover of the assessee is fully disclosed in the bank account at Rs. 28,80,000/-. This being so, the addition made by the Assessing Officer to the extent of Rs. 15,05,000/- representing the SBN deposited in the bank account stands deleted.

6. Admittedly, the assessee has not been able to produce any evidence to show that the estimation of income at 8% is erroneous. This being so, the addition as made by the Assessing Officer in regard to business income on the presumptive rate of 8% stands confirmed. It is also mentioned here that as the addition of Rs. 15,05,000/- has been deleted, 8% would have been applied on the entire turnover. To that extent, the Assessing Officer is directed to modify in the order.
7. In the result, appeal of the assessee is partly allowed.

Order dictated and pronounced in the open court on 25/02/2026.

Sd/-
(MADHUSUDAN SAWDIA)
ACCOUNTANT MEMBER

Sd/-
(GEORGE MATHAN)
JUDICIAL MEMBER

Ranchi, Dated: 25/02/2026

**Ranjan*

Copy to:

1. Assessee
2. Revenue

3. CIT(A)
4. CIT
5. DR
6. Guard File

By Order

Assistant Registrar, ITAT, Cuttack