

**IN THE INCOME TAX APPELLATE TRIBUNAL  
AMRITSAR BENCH, AMRITSAR.**

**BEFORE SH. MANOJ KUMAR AGGARWAL, ACCOUNTANT MEMBER  
AND  
SH. UDAYAN DASGUPTA, JUDICIAL MEMBER  
(Physical Hearing)**

**I.T.A. No. 624/Asr/2024  
Assessment Year: 2017-18**

Sh. Ghulam Nabi Lone, Dangarpora, Siligam, Pahalgam, Ananthnag, Jammu & Kashmir. [PAN:-AHYPL1427H] <b>(Appellant)</b>	Vs.	ITO, Ward, Anantnag.  <b>(Respondent)</b>
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<b>Appellant by</b>	None (Written Submission)
<b>Respondent by</b>	Sh. Charan Dass, Sr. DR

<b>Date of Hearing</b>	21.01.2026
<b>Date of Pronouncement</b>	12.03.2026

**ORDER**

**Per: Udayan Dasgupta, J.M.:**

This appeal is filed by the assessee against the order of Id. CIT (A), NFAC, Delhi, passed u/s 250 of the Act, 1961 vide order dated 12.07.2024 which has emanated from the order of AO, Income Tax Officer, Ward-3(4), Anantnag, passed u/s 144 of the Act, vide order dated 23.12.2019.

2. Condonation of delay: It is pointed out by the registry that this appeal is belatedly filed by 69 (*sixty nine days*). The assessee has filed an application

explaining the fact that he is a resident of a remote tribal village of *Siligam, Dangarpora*, at Anantanag, J & K, and is engaged as a door-to-door shawl trader and has no fixed shop room. The delay in filing this appeal is on account of non-receipt of the appellate order due to inadequate net communication with the mainland and lack of understanding of legal procedure (*he himself admittedly being semiliterate*) and his inability to keep in contact with his authorised representative ,which has resulted in this delay of sixty nine days and has prayed for condonation of the same and admission of the appeal on merits. The Ld. DR has no objection.

2.1 Considering the reasons we condone the delay of sixty-nine days there being “*sufficient cause*” and admit the appeal to be heard on merits.

3. There is no representation by the assessee or his counsel neither physically or virtually on repeated calls but written submissions has been filed which is on record. We proceed to dispose off the case on merits on the basis of the submissions, after hearing the Ld. DR.

4. There are four grounds of appeal in form 36 and the main grievance of the assessee is absence of hearing before the AO and non-consideration of the entire material facts of case on the basis of SOF and grounds even though initial submissions were filed before the Ld. first appellate authority.

5. Brief facts emerging are that the assessee is a retail trader of shawl and small handicraft items and functions on door to door selling of goods (*without any fixed address or shop room*).

5.1 On account of Cash deposit and other credits during FY 2016-17 amounting to Rs. 41.93 lakhs in his bank account (*including SBN deposit of Rs. 10.43 lakhs*), coupled with non-filing of regular return , followed by non-compliance to notices u/s 142(1) issued by the AO, assessment has been completed *exparte*, on a total income of Rs.12.95 lakhs (*which includes addition of SBN u/s 69A plus business profits estimated @ 8% of remaining credits in bank*).

6. The matter carried in first appeal has been dismissed in absence of adequate response to notices issued by the Ld. CIT(A), even though initially response has been filed explaining that on account of curfew and lack of transport and net disturbances in the valley in year 2019, when assessment proceedings were ongoing no proper representation could be made before AO and the nature of business of the assessee, is just a small time shawl trader, who deposited his sale proceeds received from his customers against sales of shawls and handicrafts during the FY 2016-17 and deposited the same in bank account including the cash during demo period which also is out of his realisation from his customers.

7. The Ld. DR relied on the order of the Ld. CIT(A) and prayed for upholding the appellate order.

8. We have considered the written submissions and the facts on record. We find that the AO has examined all the bank accounts of the assessee (both current and savings) and has already accepted the fact that the assessee is a trader and has *applied 8% rate* on total bank credits (*excluding SBN*), for determination of business profits.

9. The total credits in bank during FY 2016-17 considering all the bank accounts of the assessee (*including SBN deposits*) is Rs. 41.93 lakhs (*page – 3 of assessment order*) and it is admitted fact that the assessee is a trader and transactions in bank accounts throughout the year also suggests the same and as admitted by the assessee, no books of accounts are existing.

10. The business of trading in shawl and handicrafts, falls under the category of “*eligible business*”, and is covered by the presumptive section of 44AD of the Act 61.

10.1 As such instead of remanding the matter back to the Ld. first appellate authority, we determine the net profit from the business at eight percentage (8%) on total estimated sales of Rs. 42 lakhs (approx.) including SBN deposits which in our opinion, has flown out of regular sales of trading business activity (*considering the total of bank credits being Rs. 41.93 lakhs*), and the assessee shall be charged to tax at normal rates (*following the decision of the Hon'ble Madras High court in the case of SMILE Microfinance Ltd dated 19/11/2024 WP(MD) No 2020 and WMP (MD) No 1742 of 2020.*

11. The assessee will get consequential relief.
12. In the result, the appeal of the assessee is partly allowed.

**Order pronounced on 12.03.2026 under Rule 34(4) of the Income Tax Appellate Tribunal Rules 1963.**

**Sd/-**

**(MANOJ KUMAR AGGARWAL)**  
**Accountant Member**

**Sd/-**

**(UDAYAN DASGUPTA)**  
**Judicial Member**

AKV

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- (1)The Appellant
- (2) The Respondent
- (3) The CIT
- (4)The DR, I.T.A.T.

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