

**THE INCOME TAX APPELLATE TRIBUNAL
HYDERABAD BENCH "A-SMC", HYDERABAD**

BEFORE SHRI J. SUDHAKAR REDDY, ACCOUNTANT MEMBER

**ITA No. 1789/Hyd/2017
Assessment Year: 2014-15**

Sri Satyam Cheerala,
Hyderabad.

vs. ITO,
Ward-11(3),
Hyderabad.

PAN- ACVPC5826H

(Appellant)

(Respondent)

Assessee by : Shri Kiran for
Shri S. Rama Rao
Revenue by : Shri M. Naveen

Date of hearing : 11-05-2018
Date of pronouncement : 11-05-2018

ORDER

PER SHRI J. SUDHAKAR REDDY, AM:

This appeal is filed by the assessee directed against the order of the Ld. CIT(A)-5, Hyderabad, dated 22.08.2017 for the A.Y 2013-14 passed u/s 250 of the IT Act, 1961 (the Act).

2. The assessee is a retail trader in liquor. The sole issue that arises for my adjudication is whether the estimation of profit as a percentage of turnover should be 3% or 5%. The Ld. CIT(A) as well as the A.O referred to certain different orders of the Hyderabad Bench of the ITAT delivered in various cases and estimated the profit at the rate of 5% of the cost of sales of stock.

3. The assessee before us relied on a number of orders of the Hyderabad Bench of the Tribunal, the latest being Shri Late Mushkam, Adilabad in ITA No. 95/Hyd/2017 dated 28.04.2017, for the proposition that, the income has to be estimated @ 3% of the cost of sale of stocks for the year.

4. After hearing rival contentions I find that there is a cleavage of opinion between different benches of the ITAT on this issue as to whether the percentage should be 3% or 5%. As the decision in the case of Shri Late Mushkam, Adilabad (supra), and in the case of Shri Badri Srinivas and others Vs. ITO in ITA Nos. 1515, 1516, 1517 & 1518/Hyd/2017, dated 08.02.2018 which is the latest order's on this issue, I prefer to follow the same and direct the A.O to estimate the income of the assessee @ 3% of cost of sales of stock for the impugned assessment year.

5. In the result this appeal of the assessee is allowed in part.

Pronounced in the open court on 11th May, 2018.

Sd/-
(J. SUDHAKAR REDDY)
ACCOUNTANT MEMBER

Hyderabad, Dated: 11th May, 2018.

KRK

- 1) *Shri Satyam Cheerla, 6-3-131/35/A&B, Narsapur X Roads, Balanagar Mandal, Hyderabad - 37*
- 2) *The ITO, Ward-11(3), Hyderabad.*
- 3) *CIT(A) -5, Hyderabad.*
- 4) *The Pr.CIT(A)-5 Hyderabad.*
- 5) *The Departmental Representative, I.T.A.T., Hyderabad.*
- 6) *Guard File*