

आयकर अपीलीय अधिकरण, चण्डीगढ़ न्यायपीठ, "बी", चण्डीगढ़
IN THE INCOME TAX APPELLATE TRIBUNAL
DIVISION BENCH, 'B', CHANDIGARH

श्री संजय गर्ग, न्यायिक सदस्य एवं श्रीमती अन्नपूर्णा गुप्ता, लेखा सदस्य
BEFORE SHRI SANJAY GARG, JUDICIAL MEMBER AND
Ms. ANNAPURNA GUPTA, ACCOUNTANT MEMBER

आयकर अपील सं./ ITA Nos. 190 to 193/CHD/2017

निर्धारण वर्ष / Assessment Years : 2003-04 to 2006-07

M/s Tag Motors Ltd., 254-R. Model Town, Ludhiana	बनाम	The ACIT, Central Circle-II, Ludhiana
स्थायी लेखा सं./PAN NO: AABCT6450F		
अपीलार्थी/Appellant		प्रत्यर्थी/Respondent

निर्धारिती की ओर से/Assessee by : Sh. Deepak Aggarwal, Advocate

राजस्व की ओर से/ Revenue by : Sh. Jagadish Goyal, CIT DR

सुनवाई की तारीख/Date of Hearing : 29.08.2018

उदघोषणा की तारीख/Date of Pronouncement : 29.08. 2018

आदेश/Order

Per Sanjay Garg, Judicial Member:

The captioned appeals have been preferred by the assessee against the separated orders of the Commissioner of Income Tax (Appeals), Bhatinda [hereinafter referred to as CIT(A)] dated 28.10.2016.

2. The sole issue raised in all the appeal is regarding the estimation of the net profit percentage for the assessment year under consideration of the assessee.

3. The assessee declared net profit for assessment year 2003-04 @ -1.0%, for assessment year 2004-05 @ -4.81%, for assessment year 2005-06 @ 0.30% and for assessment year 2006-07 @ 2.31%. However,

the Assessing officer was of the view that the assessee had wrongly declared the net profit at a very lower rate. He, therefore, estimated the net profit for assessment years 2003-04 & 2004-05 @ 2.50% and for assessment years 2005-06 & 2006-07 @ 3.0%. The assessee challenged the aforesaid estimation of net profit by the Assessing officer before the Ld. CIT(A), however, remained unsuccessful.

3. Before us, Ld. Counsel for the assessee has furnished the details of the previous years as well as of the subsequent years to the assessment years under consideration, wherefrom it is gathered that in the earlier assessment years, the net profit rate returned by the assessee was in negative, whereas, in the subsequent assessment years, the assessee has shown positive income declaring net profit rate ranging from 4.35% in the assessment year 2007-08 to 0.53% for assessment year 2017-18.

4. Considering the overall facts and circumstances and the past and future net profit returned by the assessee, in our view, interest of justice will be well served if the net profit for assessment years 2003-04 & 2004-05 is taken @ 2.00% as against 2.50% estimated by the Assessing officer and for assessment years 2005-06 & 2006-07 @ 2.5% as against 3% estimated by the Assessing officer. The Assessing officer is, therefore, directed to assess the income of the assessee accordingly for the aforesaid assessment years 2003-04 to 2006-07.

In the result, the appeals of the assessee are treated as partly allowed.

Order was pronounced in the Open Court on 29.08.2018

Sd/-

(अन्नपूर्णा गुप्ता / ANNAPURNA GUPTA)

लेखा सदस्य/ Accountant Member

Dated : 28.11.2018

“आर.के.”

Sd/-

(संजय गर्ग / SANJAY GARG)

न्यायिक सदस्य/ Judicial Member

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

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent
3. आयकर आयुक्त/ CIT
4. आयकर आयुक्त (अपील)/ The CIT(A)
5. विभागीय प्रतिनिधि, आयकर अपीलीय आधिकरण, चण्डीगढ़/ DR, ITAT, CHANDIGARH
6. गार्ड फाईल/ Guard File

आदेशानुसार/ By order,

सहायक पंजीकार/ Assistant Registrar