

**IN THE INCOME TAX APPELLATE TRIBUNAL  
HYDERABAD "SMC" BENCH, HYDERABAD**

**BEFORE SHRI V. DURGA RAO, HON'BLE JUDICIAL MEMBER**

**ITA No. 459/HYD/2018  
(Asst. Year : 2014-15)**

Ramesh Maddi, vs. ITO, Ward-1,  
Prop. M/s. Renuka Wines, Siddipet.  
No. 4-81, Dumpalapally (V),  
Dubbak (M), Siddipet.

PAN No. AJDPM 1505 C (Appellant) (Respondent)

Assessee by : Smt. S. Sandhya - Adv.  
Department By : Mrs. Neeju Gupta - DR  
Date of hearing : 16/05/2019.  
Date of pronouncement: 17/05/2019.

**ORDER**

This appeal by the assessee is directed against the order of Commissioner of Income Tax (Appeals)-7, Hyderabad, dated 22/12/2017 for the Assessment Year 2014-15.

- 2.** The only issue involved in this appeal is estimation of income.
- 3.** In this case, the Assessing Officer has estimated the profit of the assessee at 5% on the cost of goods sold.
- 4.** On appeal, Id.CIT(A) scaled down the profit of the assessee at 4%.
- 5.** Ld. counsel for the assessee has submitted that the ITAT, Hyderabad 'B' Bench in the case of *Yadagiri Kumhari vs. ITO* in ITA No. 2035/HYD/2018, dated 30/01/2019 has consistently held that

estimation of profit at 3% in IMFL business carried by the assessee is reasonable.

**6.** Ld. Departmental Representative strongly supported the orders passed by the authorities below.

**7.** I have heard ld. DR and perused the material available on record and gone through the orders of the authorities below.

**8.** The assessee is carrying IMFL business, but not maintained proper books of account, bills & vouchers. Therefore, the Assessing Officer has estimated the profit of the assessee at 5% on the cost of goods sold, which was scaled down to 4% by the ld.CIT(A). Under the similar lines of business, the coordinate bench of Hyderabad Tribunal in the case of *Yadagiri Kummari* (supra) directed the Assessing Officer to adopt 3% of the cost of goods sold as income of the assessee. Therefore, respectfully following the above referred to decision, I direct the Assessing Officer to adopt 3% of the cost of goods of liquor sold as income of the assessee. Thus, this appeal filed by the assessee is allowed.

**9.** In the result, appeal filed by the assessee is partly allowed.

Order Pronounced in open Court on this 17<sup>th</sup> day of May, 2019.

Sd/-  
**(V. DURGA RAO)**  
**Judicial Member**

**Dated: 17<sup>th</sup> May, 2019.**

**vr/-**

Copy to:

1. *The Assessee - Ramesh Maddi, Prop. M/s. Renuka Wines, No. 4-81, Dumpalapally (V), Dubbak (M), Siddipet.*
2. *The Revenue-ITO, Ward-1, Siddipet.*
3. *The Pr.CIT-7, Hyderabad.*
4. *The CIT(A)-7, Hyderabad.*
5. *The D.R., Hyderabad.*
6. *Guard file.*

By order

Sr. Private Secretary,  
ITAT, Hyderabad.