

**IN THE INCOME TAX APPELLATE TRIBUNAL  
HYDERABAD 'A-SMC' BENCH : Hyderabad**

**(Through Video Conference)**

**BEFORE SHRI S.S. GODARA, JUDICIAL MEMBER**

**ITA No. 1223/Hyd./2019  
Assessment Year: 2015-16**

M/s Classic Logistics  
Hyderabad

vs. ITO, Ward 9(1)  
Hyderabad

[PAN: AAGFC4963Q]

**(Appellant)**

**(Respondent)**

**For Assessee:** Shri Kumar Pal Jain, AR  
**For Revenue:** Smt. N. Esther, D.R.

**Date of Hearing** : 23/03/2021

**Date of Pronouncement** : 30/03/2021

**ORDER**

This assessee's appeal for A.Y. 2015-16 arises against the Commissioner of Income Tax (Appeals) "[CIT(A)]" – 7, Hyderabad's order dated 27.05.2019 passed in case no.031/2018-19, in proceedings u/s 143(3) of the Income Tax Act, 1961 [in short 'the Act'].

Heard both the parties. Case file perused.

2. Coming to the assessee's former substantive grievance that learned lower authorities have erred in law and on facts in rejecting his books of accounts u/s 143(3), learned counsel is fair enough that the same be declined as not pressed. Ordered accordingly.

3. Coming to the assessee's later issue of correctness of both the lower authorities action estimating the profit element @ 11.0% of turnover in

transport business, learned Departmental Representative vehemently contended that the Assessing Authority has rightly gone by the earlier book results. The fact also remains that neither the assessment order nor the lower appellate order takes into consideration the assessee's corresponding expenses as well in all these assessment years before invoking sec145(3) of the Act. Faced with this situation, I deem it appropriate to restrict income estimation element taken as 11.0% to 8% on lumpsum basis with a rider that the same shall not be taken as a precedent in any other assessment year. It is made clear that the above estimated rate will be before depreciation claim only as assessed by the Assessing officer. Necessary computation to follow as per rules.

This assessee's appeal is partly allowed for statistical purposes.

Order pronounced in Open Court on 30/03/2021.

Sd/-  
**(S.S. GODARA)**  
**JUDICIAL MEMBER**

Dated: 30<sup>th</sup> March, 2021

- *gmv*

Copy of Order forwarded to:

1. M/s Classic Logistics, 4-10-179, Plot no.1, Block no.3, Auto Nagar, Hyderabad 500 035.
2. ITO, Ward 9(1), Hyderabad
3. ACIT, Range 9, Hyderabad
4. CIT(A)-7, Hyderabad.
5. Pr.CIT -7, Hyderabad
- 6 D.R. ITAT Hyderabad
7. Guard File