

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH 'G', NEW DELHI**

**Before Sh. Saktijit Dey, Judicial Member**

**Dr. B. R. R. Kumar, Accountant Member**

**(Through Video Conferencing)**

**ITA No. 6245/Del/2018 : Asstt. Year : 2014-15**

Addl. CIT, Special Range, Ghaziabad	Vs	Sai Constructions & Building, 2066, Sector-16A, Vashundhara, Ghaziabad
<b>(APPELLANT)</b>		<b>(RESPONDENT)</b>
<b>PAN No. ACEFS5346R</b>		

**Assessee by : None**

**Revenue by : Sh. Umesh Takyar, Sr. DR**

**Date of Hearing: 03.03.2022**

**Date of Pronouncement: 09.03.2022**

**ORDER**

**Per Dr. B. R. R. Kumar, Accountant Member:**

The present appeal has been filed by the Revenue against the order of the Id. CIT(A)-III, Kanpur dated 05.07.2018.

2. The only grievance of the revenue was that the Id. CIT(A) has erred in law in directing the Assessing Officer to recalculate the addition by applying 8% rate of Net Profit after duly considering the opening value of work-in-progress.

3. The assessee is engaged in the construction business and mainly executes Government Authority contracts. The AO estimated the profit @ 8% by rejecting the books of accounts and determined net profit at 8% as against 2.57% crores

disclosed by the assessee. While computing the net profit, the AO has taken closing work-in-progress.

4. The facts relevant to the adjudication of the case are that the turnover of the assessee was of Rs.37.06 crores including closing working-in-progress of Rs.22.17 crores. The AO has added the closing work-in-progress while computing the total turnover without giving benefit of opening work-in-progress of Rs.21.69 crores.

5. The Id. CIT(A) directed to recomputed the addition by applying 8% rate of NP after duly considering the opening value of work-in-progress which is as per the Accounting Standards. Hence, we decline to interfere with the order of the Id. CIT(A) and the matter is being remanded back to the file of the AO for computation of net profit @8% after taking into consideration the opening stock, work in progress during the year and the closing stock.

6. In the result, the appeal of the Revenue is dismissed.  
Order Pronounced in the Open Court on 09/03/2022.

Sd/-

**(Saktijit Dey)**  
**Judicial Member**

**Dated: 09/03/2022**

**\*Subodh Kumar, Sr. PS\***

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

Sd/-

**(Dr. B. R. R. Kumar)**  
**Accountant Member**

**ASSISTANT REGISTRAR**