

आयकर अपीलीय अधिकरण “सी” न्यायपीठ चेन्नई में।
IN THE INCOME TAX APPELLATE TRIBUNAL
“C” BENCH, CHENNAI

माननीय श्री महावीर सिंह, उपाध्यक्ष एवं
माननीय श्री मनोज कुमार अग्रवाल, लेखक सदस्य के समक्ष।
BEFORE HON’BLE SHRI MAHAVIR SINGH, VP AND
HON’BLE SHRI MANOJ KUMAR AGGARWAL, AM

आयकर अपील सं ITA No.99/Chny/2023
(निर्धारण वर्ष / Assessment Year: 2017-18)

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आयकर अपील सं ITA No.100/Chny/2023
(निर्धारण वर्ष / Assessment Year: 2018-19)

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आयकर अपील सं ITA No.101/Chny/2023
(निर्धारण वर्ष / Assessment Year: 2019-20)

Shri Kawarilal 56, Ammayappa Mudali Street, Royapettah, Chennai-600 014.	बनाम / Vs.	ACIT Central Circle-1(2), Chennai.
स्थायी लेखासं./जीआइआरसं./PAN/GIR No. ALSPK-7370-A		
(पीलार्थी/ Appellant)	:	(प्रत्यर्थी/ Respondent)

अपीलार्थीकी ओरसे/ Appellant by	:	Shri P.M.Kathir, (Advocate)- Ld.AR
प्रत्यर्थीकी ओरसे/ Respondent by	:	Shri P.Sajit Kumar (JCIT)- Ld. DR

सुनवाईकी तारीख/ Date of Hearing	:	06-07-2023
घोषणाकी तारीख/ Date of Pronouncement	:	06-07-2023

आदेश / O R D E R

Manoj Kumar Aggarwal (Accountant Member)

1. Aforesaid appeals by assessee for captioned Assessment Years (AY) arises out of the impugned common order passed by learned Commissioner of Income Tax (Appeals)-18, Chennai, [CIT(A)] dated 14-12-2022 in the matter of separate assessments framed by Ld. AO.

Having heard rival submissions and after perusal of case records, the appeals are adjudicated as under.

2. The assessee being resident individual is stated to be engaged in pawn broking business under proprietorship concern namely M/s K. Madanlal. An assessment was framed for AY 2017-18 u/s 153C consequent to search action u/s 132 in the case of Lotus-G Square group on 29.01.2019. The search action led to certain incriminating material. The statement of the assessee was also recorded. Based on the same, impugned additions were made.

3. In the recorded statement, the assessee admitted that it was collecting interest @24% from its customers but it was accounting interest @16% only. Based on admission as well as loose sheets, Ld. AO computed additional unaccounted interest @8% and made aggregate additions of Rs.40.84 Lacs for AYs 2017-18 to 2019-20. The same has been tabulated in para 4.2 of the assessment order. During assessment proceedings, the assessee assailed the same on the ground that normal interest charged was only 16% and only in few cases, interest of 24% was charged based on securities offered. However, rejecting the same, Ld. AO made impugned additions in the hands of the assessee in all the three years. The Ld. CIT(A) confirmed the same against which the assessee is in further appeal before us.

4. From the facts, it emerges that the impugned additions have been made on the basis of loose sheets as well as the admission made by the assessee during the course of search proceedings. Even during the course of assessment proceedings, this fact has been admitted by the assessee. However, it is another fact that the assessee has not earned

uniform interest rate on all the debtors. It was submitted by the assessee that only in few cases rate of 24% was charged based on securities offered. Considering the facts of the case, we direct Ld. AO to estimate the interest rate @20% and re-compute the impugned additions, in all the three years. The corresponding grounds raised stand partly allowed. The appeals for AYs 2017-18 and 2019-20 stands partly allowed.

5. In AY 2018-19, the assessee has one more grievance. It is the submission of the assessee that the excess cash of Rs.2.11 Lacs and excess debtors for Rs.27.72 Lacs were already offered in the return of income and therefore, adding the same again to the returned income would amount to double addition. However, upon perusal of computation of income, we find that the submissions are factually incorrect. The Ld. AO has not enhanced the income of the income rather it has accepted the returned income of the assessee and made further addition of unaccounted interest only. Therefore, we do not find any force in these submissions. The appeal for AY 2018-19 stands partly allowed.

6. All the appeals stand partly allowed.

Order pronounced on 6th July, 2023.

Sd/-
(MAHAVIR SINGH)
उपाध्यक्ष / **VICE PRESIDENT**

Sd/-
(MANOJ KUMAR AGGARWAL)
लेखा सदस्य / **ACCOUNTANT MEMBER**

चेन्नई Chennai; दिनांक Dated :06-07-2023
DS

आदेश की प्रतिलिपि □ प्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी/Appellant 2. प्रत्यर्थी/Respondent 3. आयकर आयुक्त/CIT 4. विभागीय प्रतिनिधि/DR 5. गार्ड फाईल/GF