

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

माजनीय श्री एबी टी. वर्की, न्यायिक सदस्य एवं
माजनीय श्री मनोज कुमार अग्रवाल, लेखक सदस्य के समक्ष।
BEFORE HON’BLE SHRI ABY T. VARKEY, JM AND
HON’BLE SHRI MANOJ KUMAR AGGARWAL, AM

आयकर अपील सं. ITA No.1042/Chny/2024
(निर्धारणवर्ष / Assessment Year: 2017-18)

M/s. PVN Constructions 144, Chennimalai Road, Erode-638 001.	बनम/ Vs.	ACIT Circle-2 Erode.
स्थायी लेखासं./जीआइआरसं./PAN/GIR No. AAHFP-7901-N		
(अपीलार्थी/ Appellant)	:	(प्रत्यर्थी / Respondent)

अपीलार्थीकीओरसे/ Appellant by	:	Shri S.Sridhar (Advocate) Erode (Virtual) – Ld.AR
प्रत्यर्थीकीओरसे/ Respondent by	:	Shri P. Sajit Kumar(JCIT) -Ld. DR

सुनवाईकीतारीख/ Date of Hearing	:	24-06-2024
घोषणाकीतारीख / Date of Pronouncement	:	03-07-2024

आदेश / ORDER

Manoj Kumar Aggarwal (Accountant Member)

1. Aforesaid appeal by assessee for Assessment Year (AY) 2017-18 arises out of the order of learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi [CIT(A)] dated 30-10-2023 in the matter of an assessment framed by Ld. Assessing Officer [AO] u/s.143(3) of the Act on 06-12-2019.
2. The registry has noted delay of 108 days in the appeal, the condonation of which has been sought by Ld. AR on the strength of affidavit of one of the partners of the assessee-firm. It has been

submitted that delay occurred due to adverse medical conditions being faced by the partner of the assessee firm. Considering the same, we condone the delay and proceed for adjudication of the appeal on merits.

3. The assessee firm is engaged in civil contract works. In the absence of any explanation forthcoming from assessee regarding low net profit rate, Ld. AO estimated income @8% of total turnover. Accordingly, the income was assessed at Rs.191.75 Lacs as against Rs.139.03 Lacs as admitted by the assessee. The position remained the same during first appeal and accordingly, the assessment was confirmed against which the assessee is in further appeal before us.

4. The Ld. AR submitted that in earlier years, the assessee has reflected Net Profit of 6% which may be adopted in this year. In the earlier year, this rate has been accepted. The Ld. Sr. DR has opposed the same.

5. Considering the facts and circumstances and keeping in view the plea of Ld. AR to make suitable estimations, we direct Ld. AO to accept profit rate of 6.5% as against 8% estimated made by him. The rate of 8% is for small businesses only whereas the assessee is having turnover of more than Rs.23.96 Crores and therefore, aforesaid estimation is a reasonable estimation. The Ld. AO is directed to re-compute the income of the assessee. No other ground has been urged in the appeal.

6. The appeal stand partly allowed.

Order pronounced on 3rd July, 2024

Sd/-
(ABY T. VARKEY)
न्यायिक सदस्य / JUDICIAL MEMBER

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

चेन्नई Chennai; दिनांक Dated :03-07-2024
DS

आदेशकीप्रतिलिपिअग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त/CIT Coimbatore.
4. विभागीयप्रतिनिधि/DR
5. गार्डफाईल/GF