

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

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

आयकरअपीलसं./ ITA No.1130/Chny/2024
(निर्धारणवर्ष / Assessment Year: 2017-18)

ITO Ward -1, Nagapattinam.	बनाम / Vs.	Shri Rajendran Manikandan 2/105 West Street, Vadakudi, Annavasal, Arangakudi, Nagapattinam - 609 302.
स्थायी लेखासं./जीआइआरसं./TAN/GIR No. CXXPM-5154-P		
(अपीलार्थी/ Appellant)	:	(प्रत्यर्थी / Respondent)

अपीलार्थीकीओरसे/ Appellant by	:	Ms. R. Anita (Addl.CIT) -Ld. Sr. DR
प्रत्यर्थीकीओरसे/ Respondent by	:	Shri S. Sridhar (Advocate) – Ld.AR

सुनवाईकीतारीख/ Date of Hearing	:	26-09-2024
घोषणाकीतारीख / Date of Pronouncement	:	09-10-2024

आदेश / O R D E R

Manoj Kumar Aggarwal (Accountant Member)

1. Aforesaid appeal by revenue 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 21-02-2024 in the matter of an assessment framed by the Ld.AO u/s.144 on 31-10-2019. The sole grievance of the assessee is assessment of income at Rs.135.24 Lacs. It is evident that the assessment has been framed on *best judgment* basis.

2. The Ld. AR advanced arguments and pleaded for reasonable estimation of income. The same has been opposed by Ld. Sr. DR. Having heard rival submissions and upon perusal of case records, our adjudication would be as under.

3. The assessee deposited cash of Rs.133.79 Lacs in its bank accounts out of which Rs.23.22 Lacs was deposited during demonetization period. There was other credit of Rs.18.13 Lacs. The assessee was required to explain the sources thereof. However, the assessee did not furnish the details. Accordingly, entire cash of Rs.133.79 Lacs was added as unexplained money u/s 69A. On other credits, Ld. AO estimated income of 8% and framed the assessment.

4. During first appeal, the assessee submitted that it was acting as wholesale agent for Milk / Milk products and derived income by way of commission on sales. The cash deposits represent sale value of the products. The assessee furnished agreement with Hatsun Agro Products. Accepting the submissions of the assessee, the Ld. CIT(A) deleted the impugned addition against which the revenue is in further appeal before us.

5. We find that though it has been accepted by Ld. CIT(A) that the assessee carried on business of milk products and earned commission of sales, yet no business income has been estimated against the aforesaid deposits. It has been accepted that the assessee has entered into an agreement with Hatsun Agro Products, however, the commission on sale has not been brought to tax. Apparently, the assessee has not maintained any books of accounts. Considering the same and with a view to end litigation, we estimate the income of the assessee @8% on cash deposits of Rs.1,33,79,100/-. The same comes to Rs.10,70,328/-,

Adding the same to Rs.1,45,097/-, the assessed income would be Rs.12,15,425/-. The Ld. AO is directed to revise the demand as raised against the assessee.

6. The appeal stand partly allowed.

Order pronounced on 9th October, 2024

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

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

चेन्नई Chennai; दिनांक Dated :09-10-2024
DS

आदेशकीप्रतिलिपिअग्रेषित/Copy of the Order forwarded to :

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