

आयकर अपीलीय अधिकरण, 'बी' न्यायपीठ, चेन्नई
IN THE INCOME-TAX APPELLATE TRIBUNAL 'B' BENCH, CHENNAI
श्री एस.एस. विश्वनेत्र रवि, न्यायिक सदस्य एवं श्री एस.आर. रगुनाथा, लेखा सदस्य के समक्ष
Before Shri S.S. Viswanethra Ravi, Judicial Member &
Shri S.R. Raghunatha, Accountant Member

आयकर अपील सं./I.T.A. No.1775/Chny/2024
निर्धारण वर्ष/Assessment Year: 2017-18

Sri Kumaran Marketing,
10/163,, Bungalapudur Road,
Kangayam 638 701, Tamil Nadu.

Vs. The ACIT/Income Tax Officer,
Ward 1(4),TPR,
Tirupur.

[PAN: ABXFS1089B]

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से / Appellant by : Shri N. Hari Nandakumar, CA by virtual
प्रत्यर्थी की ओर से/Respondent by : Ms. Gouthami Manivasagam, JCIT
सुनवाई की तारीख/ Date of hearing : 16.10.2024
घोषणा की तारीख /Date of Pronouncement : 23.10.2024

आदेश / O R D E R

PER S.S. VISWANETHRA RAVI, JUDICIAL MEMBER:

This appeal filed by the assessee is directed against the order dated 02.05.2024 passed by the Id. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre [NFAC], Delhi for the assessment year 2017-18.

2. The only ground raised by the assessee in challenging the action of the Id. CIT(A) in confirming the addition of ₹.21,21,378/- i.e., 5% on the total credit transaction of ₹.4,24,27,560/- without comparing the earlier years GP ratio.

3. At the outset, we note that the assessee has deposited cash of ₹.4,24,27,560/-. As there was no explanation for the same, the Assessing Officer completed the assessment under section 144 of the Income Tax Act, 1961 ["Act" in short] by estimating the profit at 8% of gross turnover of ₹.4,24,27,560/-. Accordingly, the addition of ₹.33,94,365/- was added to the total income of the assessee. The Id. CIT(A) restricted the same at 5% to an extent of ₹.21,21,378/-.

4. The Id. AR Shri N. Hari Nandakumar, CA (by virtual) submits that the assessee is engaged into wholesale trading fast moving consumer goods [FMCG] and the assessee has margin profit between 1 to 1.5%.

5. The Id. DR Ms. Gouthami Manivasagam, JCIT vehemently opposed the same and relied on the order of the Assessing Officer.

6. We note that admittedly, the Assessing Officer applied 8% on gross turnover treating the cash deposit as found in the bank account. There is no dispute with regard to the cash deposit are out of assessee's business income. The Id. CIT(A) also did not dispute the same and further restricted to 5% of the gross turnover. Vehement contention of the Id. AR that there is no profit of 5% in the trading of FMCG and prayed to restrict the same at 1.5% of the total turnover. We find no past history brought on

record by the Id. AR in this respect. Having no past history or the profit margin of subsequent year, we have no option but to accept to confirm the order of the Id. CIT(A), which is, in our opinion, reasonable and justified. Therefore, cash deposit as found in the bank account to an extent of ₹.4,24,27,560/- are business receipts out of which the addition restricted by the Id. CIT(A) at 5% i.e., 21,21,378/- is sustained. Thus, the ground raised by the assessee is dismissed.

7. In the result, the appeal filed by the assessee is dismissed.

Order pronounced on 23rd October, 2024 at Chennai.

Sd/-
(S.R. RAGHUNATHA)
ACCOUNTANT MEMBER

Sd/-
(S.S. VISWANETHRA RAVI)
JUDICIAL MEMBER

Chennai, Dated, 23.10.2024

Vm/-

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant,
2. प्रत्यर्थी/ Respondent,
3. आयकर आयुक्त/CIT, Chennai/Madurai/Coimbatore/Salem
4. विभागीय प्रतिनिधि/DR &
5. गार्ड फाईल/GF.