

आयकर अपीलिय अधिकरण, 'A' न्यायपीठ, चेन्नई  
IN THE INCOME-TAX APPELLATE TRIBUNAL 'A' 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. Nos.1265 & 1282/Chny/2023  
निर्धारण वर्ष/**Assessment Years: 2017-18 & 2019-20**

The Assistant Commissioner of  
Income Tax,  
Central Circle-1,  
Trichy.

Vs. Athi Kalathu Alangara Maligai,  
867/2, 3, 4, North Main Street,  
Pudukkottai 622 001.

**[PAN:ABBFA0036A]**

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से / Appellant by : Smt. Samantha Mullamudi, Addl. CIT  
प्रत्यर्थी की ओर से/Respondent by : Shri T. Vasudevan, Advocate  
सुनवाई की तारीख/ Date of hearing : 12.12.2024  
घोषणा की तारीख /Date of Pronouncement : 18.12.2024

**आदेश /O R D E R**

**PER S.S. VISWANETHRA RAVI, JUDICIAL MEMBER:**

These two appeals filed by the Revenue are directed against common order dated 18.09.2023 passed by the Id. Commissioner of Income Tax (Appeals) – 19, Chennai for the assessment years 2017-18 & 2019-20.

2. Since issues raised in both the appeals are similar based on the same identical facts, with the consent of the both the parties, we proceed to hear both the appeals together and pass consolidated order for the sake of convenience.

3. First, we shall take up ITA No. 1265/Chny/2023 - AY 2017-18 for adjudication.

4. We find that the Appellant-Revenue raised two grounds of appeal amongst which the only issue emanates for our consideration as to whether the Id. CIT(A) is justified in deleting net profit estimated at 5% by the Assessing Officer.

5. Brief facts leading to the case are that the assessee is a firm. A survey was conducted on 26.02.2019 and according to the Assessing Officer, the assessee admitted net profit is at 5% in the survey. On an examination of books of account, the Assessing Officer found various discrepancies and added the difference of net profit shown by the assessee in the books and the net profit disclosed by the assessee in the survey to the total income of the assessee. The Id. CIT(A) held the estimation of net profit without resorting to rejection of books of accounts is not sustainable and directed the Assessing Officer to delete the addition. We find that the details of earlier and subsequent year's turnover, gross profit, net profit, etc. placed on record in the form of table at page 17 of the paper book. Taking into consideration of the same, we are of the opinion that the net profit offered by the assessee is based on the books of account and find no adverse reference made to books of accounts nor rejected the same, therefore, we agree with the reasons recorded by the Id. CIT(A) in accepting the contention of the

assessee and is justified. Therefore, we find no infirmity in the order of the Id. CIT(A). Thus, the grounds raised by the Revenue are dismissed.

**I.T.A. No. 1282/Chny/2023 AY 2019-20**

6. According to the Assessing Officer, the assessee admitted net profit at 8% in the survey and found not acceptable the net profit offered by the assessee at 6.01%. Thus, the Assessing Officer added the difference of net profit shown by the assessee in the books and the net profit admitted by the assessee in the survey to the total income of the assessee. We find, admittedly, except sworn statement, no material was found during the survey. The Id. CIT(A) held the estimation of profit without resorting to rejection of books of accounts is not sustainable in law and directed the Assessing Officer to delete the addition. The assessee furnished actual turnover and other details and offered net profit on sale at 6.01%. In the absence of any corroborating material against the assessee and considering the details of turnover, etc. of earlier years, we are of the opinion that the net profit admitted by the assessee is based on the books of account is justified, as discussed above, the Assessing Officer did not make any adverse reference regarding the books and thus, we agree with the reasons recorded by the Id. CIT(A) in accepting the contention of the assessee, which is justified. Therefore, we find no infirmity in the order of the Id. CIT(A). Thus, the grounds raised by the Revenue are dismissed.

7. In the result, both the appeals filed by the Revenue are dismissed.

Order pronounced on 18<sup>th</sup> December, 2024 at Chennai.

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

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

Chennai, Dated, 18.12.2024

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.