

**IN THE INCOME TAX APPELLATE TRIBUNAL  
“SMC” BENCH, COCHIN**

**Before Shri Inturi Rama Rao, Accountant Member**

ITA No.132/Coch/2025 : Asst.Year 2018-2019

Drasmith Chandrasekharan MP-6/680-C, RPM Associates Manassery, Muthalam, Kukkam Kozhikode – 673 602. <b>PAN : APQPD3423D.</b>	v.	The Income Tax Officer Ward 2(3) Kozhikode.
(Appellant)		(Respondent)

Appellant by : --- None ---  
Respondent by : Smt.Leena Lal, Senior AR

<b>Date of Hearing : 13.03.2025</b>	<b>Date of Pronouncement : 27.03.2025</b>
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**ORDER**

This appeal filed by the assessee is directed against the order of the National Faceless Assessment Centre / Commissioner of Income-tax (Appeals) [“CIT(A)” for short] dated 27.01.2025 for the assessment years 2018-2019.

2. The appellant is an individual. No return of income was filed for the assessment year 2018-2019 by the appellant. The Assessing Officer (“the AO” hereinafter) based on the information that during the financial year 2017-2018 the appellant made cash deposit aggregating to Rs.3,41,21,180 in the current account maintained with Andhra Bank, formed an opinion that the income chargeable to tax has escaped the assessment. Accordingly, the AO issued a notice u/s.148 of the Income-tax Act, 1961 (“the Act” hereinafter) on 31<sup>st</sup> March, 2022. In response

to the notice u/s.148 of the Act, the appellant filed the return of income for the assessment year 2018-2019. Against the said return of income, the assessment was completed by the AO at a total income of Rs.20,76,962 vide assessment order dated 20<sup>th</sup> March, 2023, passed u/s.147 r.w.s. 144B of the Act. While doing so, the AO treated the total cash deposit of Rs.1,79,80,272 made in the current account maintained with Andhra Bank as business turnover of the assessee and estimated the taxable income at 3.75% of the gross turnover and accordingly made an addition of Rs.14,38,422. The AO also made addition of Rs.3,71,860 as income from other sources and Rs.2,66,186 under the head salaries.

3. Being aggrieved by the above assessment order, an appeal was filed before the CIT(A), who vide the impugned order dismissed the appeal for non-prosecution.

4. Being aggrieved, the appellant is in appeal before me in the present appeal. When the appeal was called upon, none appeared on behalf of the assessee despite due service of notice. Therefore, I proceed to dispose of the appeal on merits after hearing the learned Sr.DR.

5. I heard the learned senior DR and perused the material available on record. From the ground of appeal, the grievance of the appellant is that when the AO applied 3.75% of the turnover of Rs.1,79,80,272, the estimated income works out to only Rs.6,74,260 and further having estimated the income, the AO was not justified in making any other addition under the head income from business. Further, the credit for

TDS of Rs.400 was not granted and advance tax of Rs.50,000 was not allowed.

6. Having gone through the above submission, the grievance of the appellant appears to be genuine and correct. Accordingly the matter is restored to the file of the AO to adopt the correct figure of business profit when the net profit rate of 3.75% is adopted. Accordingly, the issue relating to grant of credit of TDS of Rs.400 and advance tax of Rs.50,000 are also restored to the file of the AO for due verification and allow the correct one if it is found that the claim of the appellant is correct.

7. In the result, the appeal filed by the assessee is partly allowed.

Order pronounced on this 27<sup>th</sup> day of March, 2025.

**Sd/-**  
**(Inturi Rama Rao)**  
**ACCOUNTANT MEMBER**

Cochin; Dated : 27<sup>th</sup> March, 2025.  
Devadas G\*

Copy to :

1. The Appellant.
2. The Respondent.
3. The CIT, Cochin.
4. The DR, ITAT, Cochin.
5. Guard File.

Asst.Registrar/ITAT, Cochin