

**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**“A” BENCH, CHANDIGARH**

**PHYSICAL HEARING**

**BEFORE HON’BLE SHRI RAJPAL YADAV, VICE PRESIDENT**  
**AND**  
**HON’BLE SHRI MANOJ KUMAR AGGARWAL, AM**

**आयकरअपीलसं./ ITA No.1236/CHANDI/2025**  
**(निर्धारणवर्ष / Assessment Year: 2020-21)**

<b>M/s KLG Jewellers</b> Showroom No.6, Bhupindra Road Patiala – 147001	<b>बनाम/ Vs.</b>	<b>ACIT Central Circle-2</b> Chandigarh
स्थायीलेखासं./जीआइआरसं./PAN/GIR No. <b>AANFK-1785-F</b>		
(अपीलार्थी/ <b>Appellant</b> )	:	(प्रत्यर्थी / <b>Respondent</b> )

अपीलार्थीकीओरसे/ <b>Appellant by</b>	:	Sh. Sudhir Sehgal (Advocate) – Ld. AR
प्रत्यर्थीकीओरसे/ <b>Respondent by</b>	:	Sh. Manav Bansal (CIT) - Ld. DR

सुनवाईकीतारीख/ <b>Date of Hearing</b>	:	25-03-2026
घोषणाकीतारीख / <b>Date of Pronouncement</b>	:	06-04-2026

**आदेश / O R D E R**

**Manoj Kumar Aggarwal (Accountant Member)**

1. Aforesaid appeal by assessee for Assessment Year (AY) 2020-21 arises out of an order of learned Commissioner of Income Tax (Appeals)-3, Gurgaon [CIT(A)] dated 27-08-2025 in the matter of an assessment framed by Ld. Assessing Officer [AO] u/s 153A r.w.s. 143(3) of the Act on 31-03-2022. The only prayer made by Ld. AR is reasonable estimation of Gross profit rate as applied by Ld. CIT(A) whereas Ld. CIT-DR has pleaded for dismissal of the appeal. Having heard rival submissions and upon perusal of case records, our

adjudication would be as under. The assessee being a resident firm is stated to be engaged in jewellery business.

2. Pursuant to search action u/s 132 on the assessee on 21-01-2021, Ld. AO made allegation of unaccounted sales by the assessee. The same was quantified at Rs.63,96,384/- and added to the income of the assessee as suppressed income. The Ld. CIT(A), considering assessee's submissions and documents, held that only Gross Profit component in the suppressed sales represents real taxable income of the assessee. The profit rate was estimated at 20% of suppressed sales and the appeal was partly allowed. Still aggrieved, the assessee is in further appeal before us.

3. From submissions before us, it could be seen that the assessee has reflected regular GP rate of 9.48% whereas NP rate is 1.43%. On these facts and considering the assessee's nature of business, the estimation of 20% is on the higher side. Therefore, we reduce the same to 10% of suppressed sales. The Ld. AO is directed to re-compute the income of the assessee. No other ground has been urged in the appeal.

4. The appeal stands partly allowed.

Order pronounced on *06<sup>th</sup> April, 2026*

*-Sd-*  
**(RAJPAL YADAV)**  
**VICE PRESIDENT**

*-Sd-*  
**(MANOJ KUMAR AGGARWAL)**  
**ACCOUNTANT MEMBER**

AS

Dated: 06-04-2026

**आदेश की प्रतिलिपि अग्रेषित /Copy of the Order forwarded to :**

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

ASSISTANT REGISTRAR

ITAT CHANDIGARH