

IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH "SMC-1" NEW DELHI
BEFORE SHRI P.K. BANSAL : ACCOUNTANT MEMBER

ITA no. 1730/Del/2014
Asstt. Yrs: 2006-07

M/s Goojar Mal Ganpat Rai (P) Ltd. Vs. Income-tax Officer,
J-3, Block B-1, Mohan Co-op. Ward 12(2), New Delhi.
Industrial Estate, Mathura Road,
New Delhi-110044.
PAN: AAACG 0227 G

(Appellant)

(Respondent)

Appellant by : Shri T.R. Talwar Adv.
Respondent by : Shri P. Dam Kanunjna Sr. DR

Date of hearing : 13/11/2015.
Date of order : 30/11/2015.

ORDER

This appeal has been filed by the assessee against the order dated 31/01/2014, passed by the CIT(A)-VI, New Delhi, in appeal no. 116/12-13 for A.Y. 2006-07.

2. The only issue involved in this appeal relates to the addition of Rs. 7,75,164/- as unexplained investment u/s 69C of the Income-tax Act.

3. Brief facts of the case are that during the course of survey, the survey team found excess inventory to the extent of Rs. 7,75,164/-, to which the assessee claimed as value of items, received for the purpose of display from its principal

M/s Coima India Pvt. Ltd. The AO did not accept the explanation of the assessee and made the addition of Rs. 7,75,164/-. When the matter went before the CIT(A), the CIT(A) dismissed the appeal of the assessee.

4. I heard the rival submissions and carefully considered the same, along with the orders of the tax authorities below as well as paper book filed before me. I noted that in this case the assessee had given details of Rs. 7,75,164/-, taken by the revenue to be the excess stock. I noted that the assessee's explanation to the AO vide his letter dated 20-5-2006 that all these items, which were taken to be excess by the survey team, related to the display items being supplied by M/s Coima India Pvt. Ltd. The items in number are 21. The assessee has given the detail as well as the challan number and the quantity, how these items have been sent by assessee and how the assessee has returned these items to M/s Coima India Pvt. Ltd. The copy of the challan of items, which were for display, are also available at page nos. 9 to 15 of the PB. From these challan items, the summary of which is available at page 4, it is apparent that these items were received by the assessee from M/s Coima India Pvt. Ltd. for display purpose and were subsequently returned by the assessee to M/s Coima India Pvt. Ltd. The assessee had reiterated these facts to the AO but the AO, instead of verifying the fact, did not believe the version of the assessee. From the copy of the challan it is apparent as to which of the items were for display. Since the items, which were on display, did not belong

to the assessee, therefore, they cannot be treated as the inventory of the assessee. In view of these facts, I set aside the order of CIT(A) and delete the addition made u/s 69C of the Act.

5. In the result, the appeal filed by the assessee is allowed.

Order pronounced in open court on 30/11/2015.

Sd/-
(P.K. BANSAL)
ACCOUNTANT MEMBER

Dated: 30/11/2015.

MP

Copy of order to:

1. Assessee
2. AO
3. CIT
4. CIT(A)
5. DR, ITAT, New Delhi.