

**IN THE INCOME TAX APPELLATE TRIBUNAL
KOLKATA BENCH "B", KOLKATA**

**BEFORE SH. J.SUDHAKAR REDDY, ACCOUNTANT MEMBER AND
SH. S.S.VISWANETHRA RAVI, JUDICIAL MEMBER**

**ITA No.1178/KOL/2015
[Assessment Year: 2008-09]**

ITO, Ward-5(2), P-7, Chowringhee Square, 8 th Floor, Room No.6, Kolkata-700069.	vs	M/s Pioneer Veneers Pvt.Ltd., 18, Rabindra Sarani, 7 th Floor, Poddar Court, Kolkata-700001. PAN-AABCP8332L
(Appellant)		(Respondent)
Appellant by		Sh. S.Dasgupta, Addl. CIT DR
Respondent by		Sh. S.K.Tulsiyan, Advocate
Date of Hearing		12.07.2018
Date of Pronouncement		08.08.2018

ORDER

PER S.S. VISWANETHRARAVI, JUDICIAL MEMBER

This appeal filed by the Revenue against the order dated 29.06.2015 passed by CIT(A)-2, Kolkata for AY 2008-09.

2. Though it is an appeal of the Revenue, Ld. AR sought permission to submit first and referred to order dated 18.03.2014 and placed on record. The CIT, Kolkata-II, Kolkata u/s 263 of the Act set aside the order dated 11.05.2011 passed by the AO u/s 143/143(3) of the Act and directed the AO to conduct assessment *denovo* and referred to page No.6 of the said order. The Ld.AR submits that as per the order u/s 263 of the Act, AO was required to examine genuineness and source of share capital in respect of each and every shareholder by conducting independent inquiry. The AO failed to conduct the inquiry in the manner the CIT directed him to do so u/s 263 of the Act and urged to remand the matter to the file of the AO. The Ld.DR did not controvert the same.

3. Heard both and perused the material available on record. We find while setting aside the order dated 11.05.2011, the CIT directed the AO to conduct inquiry in respect of each and every shareholder by conducting independent inquiry as set out which is extracted from the order dated 18.03.2014 passed by the CIT u/s 263 of the Act as under:-

- i) *Examine the genuineness and source of share capital, not on a test check basis, but in respect of each and every shareholder by conducting independent enquiry not through the assessee. The bank account of the entire period should be examined in the course of verification to find out the money trail of the share capital.*
- ii) *Further the A.O. should examine the directions as well as examine the circumstances which necessitated the change in directorship if applicable. He should examine them on oath to verify their credentials as director and reach a logical conclusion regarding the controlling interest.*
- iii) *The A.O. is directed examine the source of realization from the liquidation of assets shown in the balance sheet after the change of Directors, if any.”*

4. Keeping in view the submissions of the Id. AR and Id. DR and the order passed by CIT u/s 263, we deem it proper to remand the matter to the file of the AO to conduct a detailed inquiry as indicated above. Grounds raised by the Revenue are allowed for statistical purposes.

5. In the result, the appeal of the Revenue is allowed for statistical purposes.

Order pronounced in the open court on 08.08.2018.

**Sd/-
(J.SUDHAKAR REDDY)
ACCOUNTANT MEMBER**

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

*Date:-08.08.2018
*Amit Kumar**

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1. Appellant-ITO, Ward-5(2), P-7, Chowringhee Square, 8th Floor, room No.6, Kolkata-700069.
2. Respondent-M/s Pioneer Veneers Pvt.Ltd., 18, Rabindra Sarani, 7th Floor, Poddar Court, Kolkata-700001.
3. CIT-Kolkata
4. CIT(Appeals)-Kolkata
5. DR: ITAT-Kolkata Benches

Sr.P.S./H.O.O
ITAT, KOLKATA