

**IN THE INCOME TAX APPELLATE TRIBUNAL
KOLKATA 'A' BENCH, KOLKATA**

(Before Sri J. Sudhakar Reddy, Accountant Member & Sri S.S. Godara, Judicial Member)

ITA No. 1130/Kol/2017
Assessment Year: 2012-13

Assistant Commissioner of Income Tax, Circle-49(1), Kolkata.....Appellant

M/s. Four Star International.....Respondent
Narayanpur, Rajarhat
Gopalpur
Kolkata - 700 136
[PAN : AAAFF 9456 D]

Appearances by:

Shri Miraj D. Shah, A/R, appeared on behalf of the assessee.

Shri C.J. Singh, JCIT Sr. D/R, appearing on behalf of the Revenue.

Date of concluding the hearing : January 23rd, 2019

Date of pronouncing the order : March 15th, 2019

ORDER

Per J. Sudhakar Reddy, AM :-

This appeal filed by the revenue is directed against the order of the Learned Commissioner of Income Tax - 15, Kolkata, (hereinafter the "Id.CIT(A)"), passed u/s. 250 of the Income Tax Act, 1961 (the 'Act'), dt. 17/03/2017, for the Assessment Year 2012-13.

2. After hearing rival contentions, we find that the sole issue that has to be adjudicated is the valuation of closing stock. The Id. CIT(A) at page 4 of his order adjudicated the issue, which is extracted for ready reference:-

"I have considered the facts of the case and submissions of the assessee. It is an admitted fact that there is no discrepancy in physical quantity of closing stock. AO has estimated the value of closing stock by referring to the market value of stock as on 20/03/12. Assessee has pointed out that while estimating the value of stock, AO has adjusted the sales made but he should have adjusted the cost price instead of sales price. Assessee's contentions are correct in this regard. Besides in assessee's line of business, procurement season is limited to few months of the year but sales go on throughout the year consequently cost price during the procurement season is at the lowest level. Difference between sale price and cost price is less during

procurement season and the divergence between the two goes on increasing with each passing day."

2.1. We find no infirmity in this order of the Id. CIT(A). The Id. D/R, could not controvert the factual findings of the Id. CIT(A) that the Assessing Officer has wrongly estimated the value of the closing stock by applying market rates and not the cost. The Id. CIT(A) has also held that the method of valuation of stock regularly followed by the assessee has to be applied and that there is no loss to the revenue on the method applied.

3. In view of the above discussion, we dismiss this appeal of the revenue.

4. In the result, appeal of the revenue is dismissed.

Kolkata, the 15th day of March, 2019.

Sd/-

[S.S. Godara]
Judicial Member

Dated : 15.03.2019
{SC SPS}

Copy of the order forwarded to:

1. ***M/s. Four Star International***

***Narayanpur, Rajarhat
Gopalpur
Kolkata - 700 136***

2. ***Assistant Commissioner of Income Tax, Circle-49(1), Kolkata***

3. CIT(A)-

4. CIT- ,

5. CIT(DR), Kolkata Benches, Kolkata.

Sd/-

[J. Sudhakar Reddy]
Accountant Member

True copy
By order

Assistant Registrar
ITAT, Kolkata Benches

