

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

Before Shri Satbeer Singh Godara, Judicial Member

**I.T.A. No. 1782/KOL/2019
Assessment Year: 2014-2015**

Apurba Kumar Dey,.....Appellant
C/o. S.N. Ghosh & Associates, Advocates,
'Seven Brothers' Lodge, P.O. Buroshibtala,
P.S. Chinsurah, Dist. Hooghly-712105
[PAN:ACWPD6113B]

-Vs.-

Income Tax Officer,.....Respondent
Ward-1(3), Burdwan,
Aayakar Bhawan, Burdwan, Kachari Road,
Court Compound,
P.O. & P.S. Burdwan, Purba Bardhaman-713101

Appearances by:

N o n e, for the Appellant

Smt. Ranu Biswas, Addl. CIT, Sr. D.R., for the Respondent

Date of concluding the hearing : January 27, 2020

Date of pronouncing the order : January 31, 2020

O R D E R

The assessee's appeal for assessment year 2014-15, arises against the ld. Commissioner of Income Tax (Appeals), Burdwan's order dated 17.06.2019 passed in the case No. 78/CIT(A)/Bwn/ITO, Wd-1(3),Bwn/2016-17, involving proceedings under section 14(3) of the Income Tax Act, 1961; in short 'the Act'.

2. None has appeared on behalf of the assessee when the matter was called for hearing. I, therefore, decided to dispose of the appeal after hearing the ld. D.R. and perusing the relevant material available on record.

3. The assessee's sole substantive grievance raised in the instant appeal seeks to reverse both the lower authorities findings making addition under section 69 of Rs.5,84,454/-. During the course of

assessment proceedings, the A.O. made the addition, which was upheld by the ld. CIT(Appeals) in his detailed discussion, which reads as under:-

"3. Assertion of Assessing Officer:

The relevant excerpts of the Assessment order are as under:

3.1. On examination of the Balance Sheet of the Tax Audit Report it is found that the liability against Creditors is Rs.1,09,554/-. But on verification, the liability against Sundry Creditors was found actually Rs.18,32,832/- and the A.R. of the assessee admitted this fact of discrepancy in his written submission on 22.11.2016. The A.R. also admitted that the liability against Sundry Creditors was understated for Rs.17,23,278/-. The A.R. claimed that the liability against the same creditors was already disallowed for the A.Y.2012-13 for an amount of Rs.11,38,825/-.

3.2. The liability as per Balance Sheet as on 31.03.2014 is Rs.1,09,554/-. The amount against the liability against the same parties as added back in the assessment order for the A.Y.2011-12 for an amount of Rs.11,38,825/- is allowed for exclusion from the total liability. Therefore, the amount of unexplained liability against the creditors for the year under consideration comes to Rs.[18,32,833-(1,09,554,+11,38,825)]=Rs.5,84,454/-. Accordingly Rs.5,84,454/- is added back to the total income of the assessee.

4. Observation and Decision: The appellant is a medicine retailer.

4.1. Grounds of Appeal No.1,2 & 3 are similar in nature and are taken up together. These grounds pertain to the addition of Rs.5,84,454/- made by the A.O.

4.2 The observation of the A.O. is that the liability against Sundry Creditors is Rs.1,09,554/- but on verification, the liability against Sundry Creditors was found actually to be Rs.18,32,832/-. The A.O. has further observed that the liability against the same creditors was already disallowed for the A.Y.2012-13 for an amount of Rs.11,38,825/-. The A.O. has further observed that the amount of unexplained liability against the creditors for the year under consideration comes to Rs.5,84,454/- which was added back to the income of the appellant. I

4.3. During the course of the appellate proceedings, the appellant was give various opportunities to reconcile the difference of Rs.5,84,454/-. However, no explanation whatsoever has been furnished by the appellant to reconcile the difference in his books of account visa-s-vis the balance payable as shown in the books of account of various parties.

4.4. Keeping in view the above mentioned facts and circumstances, the addition of Rs.5,84,454/- made by the A.O. is confirmed and the Ground of Appeal No.1, 2 & 3 is dismissed. Ground of Appeal No. 4 is general nature".

4. It is thus clear from the perusal of the above extracted detailed discussion as well as going by the revenue's stand that this is a clear-cut case of lack of reconciliation involving the amount in dispute of Rs.5,84,454/- forming the subject matter of addition. I, therefore, remit it back to the Assessing Officer for proper adjudication afresh in the larger interest of justice in view of the assessee's books of account and other detailed evidence in support of the impugned reconciliation within effective opportunities of hearing.

5. In the result, the assessee's appeal is allowed for statistical purposes.

Order pronounced in the open Court on January 31, 2020.

**Sd/-
(Satbeer Singh Godara)
Judicial Member**

Kolkata, the 31st day of January, 2020

- Copies to :
- (1) **Shri Apurba Kumar Dey,
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 - (2) **Income Tax Officer,
Ward-1(3), Burdwan,
Aayakar Bhawan, Burdwan, Kachari Road,
Court Compound,
P.O. & P.S. Burdwan, Purba Bardhaman-713101**
 - (3) *Commissioner of Income Tax (Appeals), Burdwan;*
 - (4) *Commissioner of Income Tax- , Kolkata*
 - (5) *The Departmental Representative*
 - (6) *Guard File*

By order

*Assistant Registrar,
Income Tax Appellate Tribunal,
Kolkata Benches, Kolkata*

Laha/Sr. P.S.