

**IN THE INCOME TAX APPELLATE TRIBUNAL "A" BENCH KOLKATA**

**BEFORE SHRI SANJAY GARG, JUDICIAL MEMBER  
AND SHRI GIRISH AGRAWAL, ACCOUNTANT MEMBER**

**ITA No.64/Kol/2021  
Assessment Year: 2010-11**

Income Tax Officer, Ward - 10(2), Kolkata	Vs.	M/s. M R G Securities Pvt. Ltd. 17, Lake Range, Dunamic Mansion, Ground Floor, Kolkata-700025. (PAN: AA ECS0322G)
<b>(Appellant)</b>		<b>(Respondent)</b>

&

**Cross Objection No. 09/Kol/2022  
In ITA No.64/Kol/2021  
Assessment Year: 2010-11**

M/s. M R G Securities Pvt. Ltd.	Vs.	Income Tax Officer, Ward - 10(2), Kolkata
<b>(Cross Objector)</b>		<b>(Respondent)</b>

**Present for:**

Revenue by : Shri Vijay Kumar, Addl. CIT, Sr. DR  
Assessee/Cross Objector by : Shri A. K. Tibrewal, FCA & Shri  
Amit Agarwal, Advocate

Date of Hearing : 23.11.2022  
Date of Pronouncement : 18.01.2023

**ORDER**

**PER GIRISH AGRAWAL, ACCOUNTANT MEMBER:**

Appeal filed by the revenue and Cross Objection filed by the assessee are against the order of Ld. CIT(A)-4, Kolkata vide Appeal No.

150/CIT(A)-4/2018-19 dated 10.07.2017 passed against the assessment order by ITO, Ward-10 (2), Kolkata u/s.143(3)/147 of the Income-tax Act, 1961 (hereinafter referred to as the "Act"), dated 21.12.2017.

2. Revenue has raised as many as six grounds of appeal, all of which relate to deletion of addition of Rs.1,75,32,772/- made by the Ld. AO on account of sale of unquoted shares in the absence of identity, genuineness and creditworthiness of the purchasers of these unquoted shares. For the sake of brevity, the grounds of appeal are not reproduced.

3. Grounds raised by the assessee/Cross Objector relate to challenging the legality and validity of the reassessment proceedings initiated by the Ld. AO by issuing notice u/s. 148 of the Act based on incorrect, ambiguous and vague information, recorded in the reasons to belief and the assessment so completed u/s. 147 of the Act.

4. At the outset, we note that there is a delay of 283 days in filing the present appeal by the revenue for which a petition for condonation of delay is placed on record, dated 24.03.2021. The impugned order of Ld. CIT(A) is dated 19.02.2020 which was received on 18.03.2020. The limitation to file the instant appeal fell during the period Pandemic of Covid-19 which prevented the revenue to file the appeal within the prescribed limitation. It is noted that the period of delay falls during the time of Pandemic of Covid-19 which has been excluded by the Hon'ble Supreme Court in the case of Suo moto Writ Petition (C) No. 3 of 2020 dated 10.01.2022 by which the period from 15.03.2020 to 28.02.2022 has been directed to be excluded for the purpose of limitation. Vide this order a further period of 90 days has been granted for providing the limitation from 01.03.2022.

Accordingly, we condone the delay and proceed to adjudicate upon the matter.

5. Before us, Shri Vijay Kumar, Addl. CIT, Sr. DR appeared for the revenue and Shri A. K. Tibrewal, FCA & Shri Amit Agarwal, Advocate appeared for the assessee.

6. Brief facts as culled out from records are that assessee filed its return of income on 25.09.2010 reporting total income of Rs.14,707/- which was processed u/s. 143(1) of the Act. Subsequently, on receipt of information from DDIT (Inv.) Wing-3(1), Kolkata that assessee had received fund worth Rs. 25 lakh from Eastern Financial Consultants Pvt. Ltd. and Pearl Financial Consultants Pvt. Ltd., the reasons to believe for initiating the reassessment proceedings were recorded and notice u/s. 148 of the Act was issued. The reasons to believe recorded are extracted as under:

*“The return of income for A Y 2010-11 was filed by the assessee on 25.09.2010 declaring total income of Rs.14,710/-. Thereafter the case was processed u/s 143(1) on 14.04.2011.*

*In this case information has been received that Shri Ajay Kumar Bajpei as a director/authorized signatory opened account in ING Vysya Bank. Different accounts were opened by him. The aggregate transaction in six accounts including Eastern Financial Consultants Pvt. Ltd. (Bank A/c No.51801147525) and Pearl Financial Consultants Pvt. Ltd. (Bank A/c No.518011047887) during F. Y. 2009-10 has been reported to be Rs.86.76 crores. However, the average balance in the said accounts was Rs.3.27 Lakhs. These funds were transferred to different firms and were moved out on many occasions. The transactions in the accounts were not commensurate with the average balances maintained and it appeared that the person had opened account just to carry out transfer of funds. These fund transfers had no business rationale or logical explanation.*

*Summon u/s 131 was issued to Shri Ajay Kumar Bajpei by Investigation Wing but it returned unserved. It transpires from the bank account of Shri Ajay Kumar Bajpei and the above mentioned six concerns that funds have been credited in these accounts by transfer/clearing. And after many inter transfers finally fund had been debited by RTGS/Trf to various real beneficiaries.*

*Inspector was deputed by investigation wing to serve notice to Eastern Financial consultants and Pearl Financial Consultants Pvt. Ltd. inter alia others. But the inspector failed to locate the officer.*

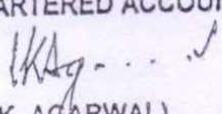

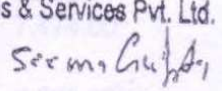
*It has been found from ITD Data base that Shri Ajay Kumar Bajpei having PAN AKOPB64951 has filed total income of Rs.159225/- in the AY 2010-11. Further it has been found from ITD database that Eastern Financial Consultants Pvt. Ltd. And Pearl Financial Consultants Pvt. Ltd. (new name - Vet Biotech Pvt. Ltd.) has filed total income of Rs.830/- and Rs.806/- respectively for AY 2010-11. All these companies have filed very low returned income that are not supported by their high bank transactions.*

*M/s. MRG Securities Pvt. Ltd. is a beneficiary company which has received fund transfer from M/s Eastern Financial Consultants Pvt. Ltd. and Pearl Financial Consultants Pvt. Ltd. amounting to Rs.25,00,000/- as per the following details:*

<i>Date</i>	<i>Amount</i>	<i>Received from</i>
<i>06.11.2009</i>	<i>800000</i>	<i>Eastern Financial Consultants Pvt. Ltd.</i>
<i>06.11.2009</i>	<i>900000</i>	<i>-Do-</i>
<i>09.11.2009</i>	<i>800000</i>	<i>Pearl Financial Consultants Pvt. Ltd.</i>

*Therefore I have reason to believe that income of RS.25,00,000/- chargeable to tax has escaped assessment.”*

6.1. In this case, assessee is in the business of purchase and sale of shares . It had an inventory of shares valuing at Rs.1,77,62,772.53 as on 31.03.2009 which is duly reported in its audited Balance sheet, placed at page 20 of the paper book. During the year under consideration, assessee had purchased shares valuing Rs.20,50,000/-. All these shares i.e. those in the inventory and those purchased during the year, were sold at Rs.1,95,85,000/-. All these transactions of purchase and sale and the inventory are duly reported and disclosed in the audited P&L Account of the assessee for the year ending 31.03.2010, relevant to AY 2010-11. The said P&L Account placed at page 21 of the paper book is extracted below:

<u>PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDING 31.3.2010</u>			
	<u>SCHEDULES</u>	<u>31.3.2010</u> <u>AMOUNT(RS)</u>	<u>31.3.2009</u> <u>AMOUNT(RS)</u>
<b><u>INCOME</u></b>			
Sale of Shares		19,585,000.00	5,285,000.00
Interest Income		542,044.00	180,102.00
Increase\ (Decrease) in Stock		<u>(17532772.53)</u>	<u>(830000.00)</u>
		<u>2,594,271.47</u>	<u>4,635,102.00</u>
<b><u>EXPENDITURE</u></b>			
Purchases of Share		2,050,000.00	4,455,000.00
Administrative Expenses	H	518,772.00	175,658.00
Preliminary Expenses W/Off		<u>8,400.00</u>	<u>8,400.00</u>
		<u>2,577,172.00</u>	<u>4,639,058.00</u>
PROFIT FOR THE YEAR (I -II)		17,099.47	(3956.00)
Less : Provision for Income Tax		4,600.00	-
Add/(Less) : Provision for Deferred Tax		2,389.00	770.00
Less : Income Tax Adjustment		3,423.00	4.00
Profit after tax		6687.47	(3190.00)
Net Profit available for appropriation		6687.47	(3190.00)
Add/(Less) : Balance Brought Forward		<u>(25471.43)</u>	<u>(22281.43)</u>
BALANCE CARRIED TO BALANCE SHEET		<u>(18783.96)</u>	<u>(25471.43)</u>
Earning Per Equity Shares (Rs)		0.02	(0.01)
Face Value of Rs.10/- per equity share) Basic		For Spotboy Sales & Services Pvt. Ltd.	
NOTES ON ACCOUNTS	I		
AS PER OUR REPORT ON EVEN DATE FOR UTTAM AGARWAL & ASSOCIATES F. R. NO 322455E CHARTERED ACCOUNTANTS			
 (U. K. AGARWAL) PARTNER			
DATE : 25.08.10 PLACE : KOLKATA			
			For Spotboy Sales & Services Pvt. Ltd.  Director

6.2. The details of stock-in-trade submitted by the assessee, as available in the paper book, is extracted below:

<b>SPOTBOY SALES &amp; SERVICES PRIVATE LIMITED</b>						
<u>Details of Closing Stock as on 31.3.2010</u>						
	<u>AS ON 31.3.2010</u>			<u>AS ON 31.3.2009</u>		
	<u>QUANTITY</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>QUANTITY</u>	<u>RATE</u>	<u>AMOUNT</u>
<b>IN QUOTED SHARES</b>						
Bsr Finance & Construction Ltd.	-	-	-	500	29.16	14,577.53
<b>IN UNQUOTED SHARES</b>						
Globex Finance Corporation Pvt. Ltd	-	-	-	900	20.22	18,195.00
Bhagwati Devcon Pvt Ltd	-	-	-	6,000	100.00	600,000.00
Bhavshagar Merchandise Pvt Ltd	-	-	-	2,000	100.00	200,000.00
Comfort Dealers Pvt Ltd	-	-	-	5,000	100.00	500,000.00
Harsh Priya Construction Pvt. Ltd.	-	-	-	10,000	50.00	500,000.00
Harsh Priya Construction Pvt. Ltd.	2,300	100.00	230,000.00	2,300	100.00	230,000.00
Hsr Builders Pvt Ltd	-	-	-	10,000	50.00	500,000.00
J S Trading & Finance Pvt Ltd	-	-	-	2,500	200.00	500,000.00
K. Anamayee HDPC Eng Pvt Ltd	-	-	-	4,500	100.00	450,000.00
K. Proteen Pvt Ltd	-	-	-	280,000	10.00	2,800,000.00
Lakshmi Tie Up Pvt Ltd	-	-	-	125,000	2.00	250,000.00
Niranjan Commerce Pvt Ltd	-	-	-	25,250	100.00	2,525,000.00
Payal Sales Pvt Ltd	-	-	-	5,500	100.00	550,000.00
Nutan Barter Pvt Ltd	-	-	-	4,500	100.00	450,000.00
Premier Vinimay Pvt Ltd	-	-	-	20,000	100.00	2,000,000.00
Raj Narayan Merchants Pvt Ltd	-	-	-	9,000	100.00	900,000.00
Scs Consultants Pvt Ltd	-	-	-	17,000	100.00	1,700,000.00
Shekhar Marketing Pvt Ltd	-	-	-	16,000	50.00	800,000.00
Sree Astalaxmi Spining Mills Pvt. Ltd.	-	-	-	10,000	10.00	100,000.00
Sursadhna Vinimay Pvt Ltd	-	-	-	6,500	100.00	650,000.00
Tosha Consultancy Private Limited	-	-	-	10,000	50.00	500,000.00
Swarnim Fintrade Pvt Ltd	-	-	-	2,500	10.00	25,000.00
Swati Corporate Services Pvt Ltd	-	-	-	10,000	50.00	500,000.00
Vaishnavi Vyapaar Pvt Ltd	-	-	-	5,000	100.00	500,000.00
	<u>2,300</u>		<u>230,000.00</u>	<u>589,950</u>		<u>17,762,772.53</u>

For Spotboy Sales & Services Pvt. Ltd.  
Director

For Spotboy Sales & Services Pvt. Ltd.

Secma Chudha  
Director

6.3. In the course of reassessment proceedings, Ld. AO sought details in respect of shares held by the assessee, details relating to buyers to whom the shares were sold by the assessee along with bank accounts and details relating to utilisation of loan funds. Ld. AO while concluding the assessment observed that assessee had not furnished the required details in respect of shares sold and the persons who had bought the shares and thus treated the amount of Rs.1,75,32,772/- as unexplained receipt and made the addition. Ld. AO also observed that assessee is not engaged in any business activities and it managed to garner share capital with high premium and the fund so raised

was invested in unlisted company with high premium which were also not engaged in any business activity. Aggrieved, assessee went in appeal before the Ld. CIT(A).

6.4. Before the Ld. CIT(A), assessee strongly contended the reopening of assessment and submitted that the reasons to believe recorded by the Ld. AO before issuing the notice u/s. 148 of the Act are merely on the basis of Investigations Wing's report without any application of mind by the Ld. AO, thus tantamounting to a borrowed satisfaction. It was also contended that the reasons to believe so recorded failed to demonstrate the live link between tangible material and formation of reason to believe that income has escaped assessment as Ld. AO had not made any effort to discuss the material on the basis of which he formed *prima facie* belief that income had escaped assessment. It was also strongly submitted that Ld. AO had proceeded on fundamentally wrong facts and came to the conclusion that income chargeable to tax had escaped assessment since the addition made was done on the basis of factually incorrect assertion. For this it was demonstrated from the audited financial statement wherein sale of shares to the tune of Rs.1,95,85,000/- has already been offered as income. It was thus, submitted that the reassessment proceedings are invalid on the basis of improper reasons recorded by the Ld. AO which are without applying mind to the information and without independently arriving at a belief. It was submitted that in the reasons recorded, it is alleged that assessee is a beneficiary of Rs.25 lakhs though this sum has been credited in the bank account of the assessee in respect of sale of shares to Eastern Financial Consultant Pvt. Ltd. (Rs. 8 lakh + Rs.9 lakh = Rs. 17 lakh) and to Pearl Financial Consultant Pvt. Ltd. (Rs.8 lakh). This amount has already been offered as income by the assessee duly reported in its audited P&L Account and thus there is no reason for initiation of

reassessment proceeding which is absolutely vague and there is complete absence of live link of the formation of belief with the material on record and there being no escapement of income from the assessment.

6.5. In the course of first appellate proceeding, all the documentary and corroborative evidences were placed on record which were forwarded by the Ld. CIT(A) to the Ld. AO for his consideration and furnishing a remand report thereon. In the remand report, Ld. AO submitted that the main issue involved in this case is that assessee did not furnish the details of persons who had bought the shares from the assessee for Rs.1,75,32,770/-. Assessee furnished its rejoinder explaining its case on the remand report, all of which is reproduced in the order of Ld. CIT(A).

6.6. Ld. CIT(A) while disposing of the appeal noted that Ld. AO has merely repeated the information received from the Investigation Wing without carrying out any verification on his part. He also observed that inspite of having all the documentary evidence, Ld. AO did not submit any comments on the evidence filed by the assessee when the remand report was called from him. Upon carefully analysing the facts and corroborating the same with material on record, Ld. CIT(A) noted that the amount of Rs.1,75,32,772/- is already considered in the P&L Account and offered for taxation. He also noted that the stock-in-trade has been accepted by the Ld. AO and, therefore, by making such addition, it is leading to taxation of same income twice, in the hands of the assessee. He thus directed to delete the addition so made by the Ld. AO. Aggrieved, the revenue is in appeal before the Tribunal challenging the merits and the assessee in Cross Objection challenging the legality of the reassessment.

7. Before us, the fact and observations were reiterated by the Ld. Counsel and Ld. Sr. DR which are not repeated for the sake of brevity as already narrated in above paragraph. Before us, Ld. Sr. DR contended that the order passed by Ld. CIT(A) is not a speaking order and has not taken into cognizance the observations made by the Ld. AO in the remand report called for. He also submitted that assessee has not furnished any details in respect of the purchasers of the shares for the shares sold by the assessee and, therefore, the relief granted by the Ld. CIT(A) is ought to be reversed.

8. Per contra, Ld. Counsel for the assessee took the bench through the order of the Ld. CIT(A) containing 33 pages to demonstrate that Ld. CIT(A) has analytically dealt with all the aspects of the issue under consideration, both on the legality and the factual aspect. He pointed to the replies made before the Ld. AO which have been reproduced in the order of Ld. CIT(A) at pages 20 and 21. From the said replies, made before the Ld. AO, Ld. Counsel demonstrated that all the details as required by the Ld. AO were furnished in the assessment proceedings in support of the claim made in the return. Such replies are reproduced and extracted as under:

Before  
The Income Tax Officer  
Ward Kolkata  
Aayakar Bhawan  
Kolkata – 700 069

Reg: M/s MRG SECURITIES PVT LTD  
PAN – AAEC50322C, AY 2010-11

Your petitioner company has received notice u/s 142(1) of the Income Tax Act 1961 and required to submit details and explanations which are as follows:

That the petitioner company is engaged in the purchase and sale of shares.

That the details of shares mentioning the name of the company, no of shares held and amount is enclosed herewith.

That shares were sold to M/s Eastern Financial Consultants Pvt Ltd and M/s Pearl Financial Consultants Pvt Ltd. The xerox copies of the bills copies raised on the above two companies are enclosed herewith mentioning the name of the company whose shares were sold, no of shares and quantity.

That the xerox copies of the bank statements for the financial year 2009-10 relevant to AY 2010-11 is enclosed herewith reflecting the payment received from the above two companies.

Therefore it is humbly prayed that your honor shall be kind enough to accept the above information and explanations in response to your requirements and your honor shall complete the assessment proceedings accordingly.

And for your this act of kindness the petitioner company shall ever pray.

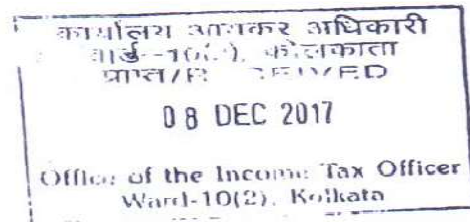
Thanking you

Yours faithfully



Encl: As above

Kolkata



Before  
The Income Tax Officer  
Ward Kolkata  
Aayakar Bhawan  
Kolkata – 700 069

Reg: M/s MRG SECURITIES PVT LTD  
PAN – AAEC50322C, AY 2010-11

Sir

In response to your letter no ITO/W-10(2)/Kol/AAEC50322G/2016-17/1587 dated 12/12/2017 the petitioner company most respectfully submits as follows:-

That the list of shareholders as on 31/03/2009, 31/03/2010 and 31/03/2017 are same and a list is being annexed herewith.

That the list of shares sold from 01.04.2009 – 31.03.2010, along with their cost and quantity has already been submitted to your petitioner in earlier hearing. Also a list of investment in shares held as on 31.03.09 as well as held on 31.03.2010 is also submitted to your petitioner in earlier hearings. That all the shares were sold at cost.

That the xerox copies of bills for the transactions regarding which the reopening has been done has already been submitted to your petitioner in earlier hearing. The bills have complete details of name to whom shares have been sold, address, no of shares sold and rate.

That the xerox copy of bank statement has already been submitted to your petitioner in earlier hearing.

That as on 31.03.2010 the petitioner company does not have any loan fund taken from any concern.

Therefore it is humbly prayed that your honor shall be kind enough to accept the above information and explanations in response to your requirements and your honor shall complete the assessment proceedings accordingly.

And for your this act of kindness the petitioner company shall ever pray.

Thanking you

Yours faithfully

*P. K. Ray*

Encl: As above <sup>A/R</sup>

Kolkata



9. Ld. Counsel also objected on the observation of the Ld. AO that assessee is not engaged in any business activities and pointed to the audited P&L Account wherein sale of shares as well as interest income has been reported for the year under consideration as well as for the immediately preceding year. In respect of details of purchasers to whom the shares were sold by the assessee, Ld. Counsel referred to pages 113 to 115 placed in the paper book wherein all the details in respect of name, address, quantity, sale rate, date of sale, reference to bank statement for the sale realisation and the amount realised were furnished before the Ld. AO.

9.1. Ld. Counsel also strongly submitted that purchases made by the assessee have not been held to be bogus transactions by the Ld. AO and, therefore, the sales made by the assessee of the said shares cannot be doubted. He also submitted that Ld. AO has not rejected the books of account and thus there is no reason to doubt the sales. Ld. Counsel also pointed to the fact that two companies from which alleged receipt of Rs. 25 lakh has been noted by the Ld. AO in the reasons to believe (supra), are included in the sale consideration of Rs.1.95 Cr. duly reported in the audited P&L Account, extracted above.

9.2. Ld. Counsel relied on the decision of the coordinate bench of ITAT, Kolkata in the case of Adbhut Vinimay Pvt. Ltd. in ITA No. 2404.Kol/2017 dated 24.10.2018 wherein it was held that sales affected by an assessee cannot be treated as cash credit u/s. 68 of the Act because sale consideration

was duly entered in the books of account. Ld. Counsel also pointed to the order sheet entries of the reassessment proceeding placed in the paper book and referred to the entries wherein furnishing of various details were recorded.

10. We have heard the rival contentions and perused the material available on record and given our thoughtful consideration to the submissions made before us. Since the assessee has challenged the legality and validity of reassessment proceedings through its cross objection, we would first delve on this issue. For this, on perusal of the reasons to believe recorded by the Ld. AO as extracted above, makes us to understand that ld. AO has formed his belief merely on the basis of information received from DDIT (Inv.) Wing-3(1), Kolkata without applying his independent mind. It is a fact that the amount of Rs. 25 lakh as recorded in the reason to believe, received from the two parties, has already been offered as income by the assessee which forms part of the total sale consideration of shares of Rs.1.95 Cr reported in its audited P&L Account. Thus, there is complete absence of live nexus for the formation of belief by the Ld. AO with the material on record inasmuch as the assessee's income has not escaped assessment.

10.1. Ld. CIT(A) also observed on the last page of its order that *"the AO has merely repeated the information received from the investigation Wing without carrying out any verification in spite of having all the documentary evidence the AO did not submit any comments on the evidences filed by the assessee during the course of appellate proceedings.*

*Therefore, in view of above factual as well as legal propositions, I am of the considered opinion that the addition made by the Assessing Officer cannot be sustained. Therefore, the ground is allowed.”*

10.2. We also note that ld. AO has proceeded on fundamentally wrong facts since the amount of Rs. 25 lakh as noted in the reason to believe forms part of the total sale consideration reported in the P&L Account and thus, has come to the conclusion wrongly that income chargeable to tax had escaped assessment. Assessee had pointed out this fact in its objection raised before the Ld. AO who did not consider the same. Similar issue was dealt by Hon'ble High Court of Bombay in the case of Ankit A. Choksey Vs. ITO & Ors. 411 ITR 207 (Bom) who had held that notice issued u/s. 148 was without jurisdiction and therefore, quashed and set it aside.

11. On the issue of legality and validity of reassessment proceeding, we find that Ld. AO has merely repeated the information received from the Investigation Wing without carrying out any verification and the addition made in the reassessment is on the basis of factually incorrect assertions/statements and fundamentally wrong facts as discussed in details above. For our said finding, we derive our force from plethora of judicial precedence including the following –

- (i) Signiture Hotels Pvt. Ltd. [2011] 338 ITR 511 (Del.);

- (ii) PCIT Vs. Shodiman Investments (P) Ltd. [2018] 93 taxmann.com 153 (Bom);
- (iii) Dharamvir Singh Rao Vs. ACIT [WP© 10664 & 11692/2015 (Del.)
- (iv) CIT Vs. Shri Atul Jain 399 ITR 383 (Del.)
- (v) CIT Vs., SFIL Stock broking Ltd. 325 ITR 284 (Del.)

11.1. Accordingly, we hold that the reassessment proceeding initiated by issuing notice u/s.148 of the Act and passing the order u/s. 147 of the Act is not legally valid and is directed to be set aside. Thus, ground taken by the assessee in its Cross Objection is allowed.

12. From the perusal of the observations made in the remand report as produced in the order of Ld. CIT(A), we note that the main issue raised was in respect of details not furnished for the persons who had bought the shares from the assessee. In the rejoinder, assessee has asserted its fact that the addition made by the Ld. AO is leading to double addition since this amount has already been reflected as sales in the P&L Account on its credit side. Further, all the details relating to the parties who purchased the shares was placed on record.

12.1. We also take note of the fact that shares sold by the assessee during the year for which the addition has been made were purchased in the preceding year and formed part of the closing stock of shares as on 31.03.2009, duly

reported and reflected in the audited Balance Sheet of the assessee, details of which are already extracted above. Considering the facts narrated and the observations made above, we are not inclined to interfere with the finding given by the Ld. CIT(A) on the merit of the case whereby the addition made by the Ld. AO has been directed to be deleted. Accordingly, grounds taken by the revenue in its appeal are dismissed.

13. In the result, appeal of the revenue is dismissed and the Cross Objection of the assessee is allowed.

Order pronounced in the open court on 18th January, 2023.

Sd/-

(Sanjay Garg)  
Judicial Member

Sd/-

(Girish Agrawal)  
Accountant Member

***Dated: 18th January, 2023***

JD, Sr. P.S.

Copy to:

1. The Appellant:
  2. The Respondent:.
  3. CIT(A)-4, Kolkata
  4. The Pr. CIT, Kolkata.
  5. DR, ITAT, Kolkata Bench, Kolkata
- //True Copy//

By Order

Assistant Registrar  
ITAT, Kolkata Benches, Kolkata