

आयकर अपीलीय अधिकरण न्यायपीठ पणजी में ।
IN THE INCOME TAX APPELLATE TRIBUNAL, PANAJI

(Through Virtual Court)

BEFORE SHRI R.S. SYAL, VICE PRESIDENT
AND
SHRI S.S. VISWANETHRA RAVI, JUDICIAL MEMBER

आयकर अपील सं. / ITA No.408/PAN/2018
निर्धारण वर्ष / Assessment Year : 2011-12

Assistant Commissioner of Income Tax,
Circle – 1, Belagavi

.....अपीलार्थी / Appellant

बनाम / V/s.

Shri Someshwar Sahakare Karkhane Niyamit,
Siddasamudra, Post – Belwadi,
Tal. – Bailhongal, Dist. – Belagavi

PAN : AAAJS0517J

.....प्रत्यर्थी / Respondent

प्रत्याक्षेप सं. / CO No.02/PAN/2022
निर्धारण वर्ष / Assessment Year : 2011-12

Shri Someshwar Sahakare Karkhane Niyamit,
Siddasamudra, Post – Belwadi,
Tal. – Bailhongal, Dist. – Belagavi

PAN : AAAJS0517J

.....अपीलार्थी / Appellant

बनाम / V/s.

Assistant Commissioner of Income Tax,
Circle – 1, Belagavi

.....प्रत्यर्थी / Respondent

Assessee by : Shri Praveen Ghali
Revenue by : Shri P.S. Shivshankar

सुनवाई की तारीख / Date of Hearing : 11-09-2023
घोषणा की तारीख / Date of Pronouncement : 20-09-2023

आदेश / ORDER**PER S.S. VISWANETHRA RAVI, JM :**

This appeal by the Revenue against the order dated 06-07-2018 passed by the Commissioner of Income Tax (Appeals), Belagavi ['CIT(A)'] for assessment year 2011-12. The assessee has also filed Cross Objection in the appeal filed by the Revenue.

2. We find that this appeal was filed with a delay of 02 days. After hearing both the parties, we condone the said delay.

3. The ld. AR, Shri Praveen Ghali submits that the assessee is not interested to prosecute the cross objection. Hence, the same is dismissed as not pressed.

4. The Revenue raised five grounds of appeal amongst which the only issue emanates for consideration is as to whether the CIT(A) justified in deleting the addition of Rs.4,80,45,478/- made on account of undervaluation of closing stock.

5. We note that the assessee valued the closing stock at Rs.2,525/- per Quintal, whereas, the AO worked out the closing inventory of sugar at Rs.2,597/- per Quintal and accordingly added the difference under valuation to the income of the assessee. The CIT(A) deleted the addition made by the AO taking into consideration the method of valuation of stock being followed by the assessee year after year. On perusal of the assessment order, we note that the assessee itself filed cost working sheet of production as per which cost of production at various stages arrived towards factory cost inclusive of other overheads but before accounting of

sales of by products at Rs.2,597/- per Quintal and action towards cost of final product at Rs.2,801/- per Quintal and there is no basis as evident from the impugned order whether to take into account the value at Rs.2,597/- or Rs.2,801/-, in the absence of which as both the parties agreed that the issue requires examination by the AO and fairly conceded to remand the matter to the file of AO for its fresh consideration. Therefore, taking into facts and circumstances of the case and in the interest of justice, we deem it proper to remand the matter to the file of AO for its fresh consideration. The assessee is liberty to file evidences, if any, in support of its claim. Thus, the grounds raised by the Revenue are allowed for statistical purpose.

6. In the result, the appeal of Revenue is allowed for statistical purpose and the cross objection raised by the assessee is dismissed.

Order pronounced in the open court on 20th September, 2023.

Sd/-
(R.S. Syal)
VICE PRESIDENT

Sd/-
(S.S. Viswanethra Ravi)
JUDICIAL MEMBER

पुणे / Pune; दिनांक / Dated : 20th September, 2023.

रवि

आदेश की प्रतिलिपि अग्रेषित / Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The CIT(A), Belagavi.
4. The Pr. CIT, Belagavi.
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, पणजी,
/ DR, ITAT, Panaji.
6. गार्ड फ़ाइल / Guard File.
//सत्यापित प्रति// True Copy//

आदेशानुसार / BY ORDER,

वरिष्ठ निजी सचिव / Sr. Private Secretary
आयकर अपीलीय अधिकरण ,पुणे / ITAT, Pune