

आयकर अपीलीय अधिकरण, कोलकाता पीठ 'एसएमसी', कोलकाता
IN THE INCOME TAX APPELLATE TRIBUNAL "SMC" BENCH KOLKATA

**BEFORE SHRI RAJESH KUMAR, ACCOUNTANT MEMBER
AND SHRI SONJOY SARMA, JUDICIAL MEMBER**

**ITA No.481/Kol/2022
Assessment Year: 2018-19**

Exemplar Chemicals Ltd. Jayvijay Apartment, Unit – 1B, 1 st Floor, 61B, Palm Avenue, Kolkata – 700019. PAN: AABCE8270G	Vs.	ITO, Ward-11(1), Kolkata
(Appellant)		(Respondent)

Present for:

Appellant by : Shri Miraj D. Shah, AR
Respondent by : Shri Altaf Hussain, Addl. CIT-DR.

Date of Hearing : 10.08.2023
Date of Pronouncement : 16.10.2023

आदेश / ORDER

PER RAJESH KUMAR, ACCOUNTANT MEMBER:

The present appeal has been preferred by the assessee against the order dated 28.06.2022 of the National Faceless Appeal Centre [hereinafter referred to as 'CIT(A)'] passed u/s 250 of the Income Tax Act (hereinafter referred to as the 'Act') for A.Y 2018-19.

2. The only issue raised by the assessee is against the confirmation of addition of Rs.54,497/- by CIT(A) thereby upholding the action of ITO, National e-Assessment Centre, Delhi.

3. The facts in brief are that during the year, the assessee has sold car at Rs.1,31,250/-. The Written Down Value (WDV) of the asset as per books of account maintained pursuant to Companies Act was

Rs.76,753/- and consequently the difference was shown as profit on sale of car in profit and loss account. While computing the income as per Income Tax Act, the same was reduced from the profit against the consideration received from sale of car was reduced from the WDV as under:

Aggregate of WDV of all the assets falling within that block at the beginning of the year	Rs.25,45,006
Add: Actual cost of any assets falling within block acquired during the previous year	Nil
Less: Money received or receivable in respect of any asset in the block which is sold, discarded, demolished or destroyed during the previous year	Rs.1,31,250
WDV at the end of the year (before depreciation)	Rs.24,13,756
Less: Depreciation at block rate (if WDV at the end of year is positive)	Rs.3,62,094
Closing value of the block of the asset at the end of the year	Rs.20,51,692

However, the Assessing Officer added the amount of profit of sale of car of Rs.54,68,710/- as shown in the profit and loss a/c in the assessment framed u/s 143(3) r.w.s 143(3A) & 143(3B) of the Act dated 18.02.2021.

4. The ld. CIT(A) affirmed the said order by holding the order of the Assessing Officer by misunderstanding the facts of the case.

5. After hearing the rival parties and perusing the materials on record, we find that the profit on sale of asset was shown in the profit and loss a/c by subtracting WDV of Rs.76,753/- from consideration received from 1,31,250/- and the same was received from profit as per profit and loss a/c while computing the total income under the Income Tax Act. We note that the consideration received from sale of car reduced from the block of assets and depreciation claimed on the closing WDV as is apparent from the chart extracted above. We find that there is no mistake in the claim of the income of the assessee and both the authorities below have failed to appreciate in correct perspective. In view of this, under the facts and circumstances of the case, we set aside the order of the CIT(A) and direct the Assessing Officer to delete the addition.

6. In the result, the appeal of the assessee is allowed.

Kolkata, the 16th October, 2023.

Sd/-
[SONJOY SARMA]
Judicial Member

Sd/-
[RAJESH KUMAR]
Accountant Member

Dated: 16.10.2023.

RS

Copy of the order forwarded to:

1. Exemplar Chemicals Ltd.
2. ITO, Ward-11(1), Kolkata
3. CIT (A)-
4. CIT- ,
5. CIT(DR),

//True copy//

By order

Assistant Registrar, Kolkata Benches