

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

श्री संजय गर्ग, न्यायिक सदस्य एवं श्री गिरीश अग्रवाल, लेखा सदस्य के समक्ष
Before Shri Sanjay Garg, Judicial Member and Shri Girish Agrawal, Accountant Member

I.T.A. No.1091/Kol/2023
Assessment Year: 2017-18

Shravan Kanodia.....Appellant
2, NSB Road,
P.O Raniganj,
Paschim Burdwan,
W.B. - 713347
[PAN: AINPK1212H]

vs.

ACIT, Circle-3(1), Asansol..... Respondent

Appearances by:

Shri U. Dasgupta, Advocate, appeared on behalf of the appellant.

Shri P. P. Barman, Addl. CIT-DR, appeared on behalf of the Respondent.

Date of concluding the hearing : December 14, 2023

Date of pronouncing the order : January 16, 2024

आदेश / ORDER

संजय गर्ग, न्यायिक सदस्य द्वारा / Per Sanjay Garg, Judicial Member:

The present appeal has been preferred by the assessee against the order dated 05.09.2023 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').

2. The assessee in this appeal is aggrieved by the action of the CIT(A) in confirming the addition of Rs.30,84,064/- on account of difference of purchase amount as shown by the assessee in the VAT return and as compared to trading account.

3. During the assessment proceedings, the Assessing Officer called for records of the VAT return of the assessee from the Commercial Tax Department. The Assessing Officer observed that in the VAT return

furnished by the assessee, there was a difference of purchases of Rs.30.86 lakhs relating to the sugar purchases. The Assessing Officer, therefore, held that the assessee had inflated the purchase of Rs.30.84 lakh in his trading account. He, therefore, added the aforesaid amount to the income of the assessee on account of suppression of gross profit.

4. The ld. CIT(A) confirmed the addition so made by the Assessing Officer.

5. Before us, the ld. counsel for the assessee has submitted that the assessee is in the business of purchases and sale of sugar. That for the assessment year under consideration i.e. A.Y 2017-18, the sugar was a non-taxable/exempt from tax under the VAT provisions, therefore, the said purchase relating to sugar was not disclosed in the VAT return. The ld. counsel has further submitted that the said purchase of sugar was duly disclosed in the books of accounts of the assessee. He has further submitted that all the purchases of sugar was made through banking channel and the invoices were also produced before the lower authorities. That the said sugar stock was duly recorded in the stock register and even the sales relating to said sugar were also disclosed in the profit and loss account. He, in this respect, has referred to page 93 of the paper-book to show that the said quantum of sugar was duly recorded in the stock register. He has also referred to page 135 of the paper-book to show that even the sales were also tallied with the stock.

6. The ld. DR could not rebut the aforesaid facts and evidences produced on record and referred to by the ld. counsel for the assessee.

7. The purchase and sale of sugar by the assessee has been duly proved on the file. In view of the above, we, therefore, do not find any justification on the part of the Assessing Officer in making the impugned addition and the same is ordered to be deleted.

8. In the result, the appeal of the assessee stands allowed.

Kolkata, the 16th January, 2024.

Sd/-

[गिरीश अग्रवाल /**Girish Agrawal**]
लेखा सदस्य/**Accountant Member**

Sd/-

[संजय गर्ग /**Sanjay Garg**]
न्यायिक सदस्य/**Judicial Member**

Dated: 16.01.2024.

RS

Copy of the order forwarded to:

1. Shravan Kanodia
2. ACIT, Circle-3(1), Asansol
3. CIT (A)-
4. CIT- ,
5. CIT(DR),

//True copy//

By order

Assistant Registrar, Kolkata Benches