

IN THE INCOME TAX APPELLATE TRIBUNAL "A" BENCH KOLKATA

**Before Shri Sanjay Garg, Judicial Member
and Shri Rajesh Kumar, Accountant Member**

I.T.A. No.849/Kol/2023
Assessment Year: 2010-11

M/s Lectrodryer Marketing Pvt. Ltd.....Appellant
5, Clive Row, Room No.60A,
3rd Floor, Kolkata-1.
[PAN: AAACL5914H]

vs.

ITO, Ward-9(1), Kolkata.....Respondent

Appearances by:

Shri Miraj D. Shah, AR, appeared on behalf of the appellant.

Shri B. K. Singh, JCIT- Sr. DR, appeared on behalf of the Respondent.

Date of concluding the hearing : January 02, 2024

Date of pronouncing the order : February 19, 2024

ORDER

Per Sanjay Garg, Judicial Member:

The present appeal has been preferred by the assessee against the order dated 14.06.2023 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 has taken the following grounds of appeal:

"1. That the order passed u/s 250 is bad in law as well as on facts of the case.

2. That the Hon'ble Commissioner of Income Tax (A)- NFAC erred in law as well as on facts of the case by not considering the fact that the Ld. Assessing Officer failed to provide information and statement which was collected at the back of the appellant, thus making the assessment bad in law.

3. That the Hon'ble Commissioner of Income Tax (A)- NFAC erred in law as well as on facts of the case by confirming the addition made by the Ld. Assessing Officer by making addition of commodity profit of Rs.60,00,000/- by treating the same as bogus accommodation entry whereas the same has already been part of income of F.Y 2007-08 and

offered for taxation and duly explained during course of assessment proceedings.

4. That the appellant craves to leave, add, amend or adduce any of the grounds of appeal during the course of appellate proceedings.”

3. The sole issue raised in this appeal is relating to the addition made by the Assessing Officer further confirmed by the CIT(A) of Rs.60,00,000/- on account of cash deposits in the bank account of the assessee treating the same by the Assessing Officer as income of the assessee from unexplained sources.

4. The case of the assessee was reopened u/s 147 r.w.s. 148 of the Act on the basis of report of Investigation Wing that there was cash movement in different accounts, whereby, the money was transferred from one account to another account, and thereafter reached the account of the beneficiaries. The assessee was allegedly beneficiary of amount of Rs.60,00,000/- which was received from inter-linked entity M/s Golden Future Ltd. On being asked to explain in this respect, the assessee explained that during the financial year 2007-08, the assessee company has earned commodity profit of Rs.2,10,63,297/- from M/s Golden Future Ltd. and it had also incurred future and options (f/o) loss of Rs.22340300/-. The net loss was Rs.1277003/- and the same was duly shown in the Profit & Loss A/c of the assessee. The assessee in support of the above contention has enclosed audited accounts, computation/ITR/ledger of M/s Golden Further Ltd. for period from 01.04.2007 to 31.03.2010. However, the Assessing Officer without commenting upon the said documents held that the assessee could not produce the evidence in respect of its claim that the profit was earned during F.Y 2007-08 against which the payment was received during the year under consideration i.e. F.Y 2009-10. He, therefore, treated the aforesaid receipt of Rs.60,00,000/- as unexplained income of the assessee and made the impugned addition u/s 68 of the Act.

5. In appeal before the CIT(A), the assessee reiterated its submissions, however, the Id. CIT(A) dismissed the appeal of the assessee without considering the above submissions.

6. We have heard the rival contentions and gone through the record. In this case, the assessee duly explained that it had received commodity profit from M/s Golden Further Ltd. The assessee in this respect has produced the relevant records showing that the assessee has earned profit in commodity transaction from M/s Golden Further Ltd. The same was set off against loss incurred in f/o transactions. The Assessing Officer has not disputed the aforesaid contentions of the assessee. The only allegation upon which addition has been made is that the aforesaid profit was earned during the F.Y 2007-08, whereas, the payment was received during F.Y 2009-10. However, the assessee has furnished the ledger of M/s Golden Further Ltd. from 01.04.2007 to 31.03.2010 to show that the aforesaid amount was received in the year under consideration which has been duly taken care of in the computation of income/Income Tax Returns. The Assessing Officer has not pointed out that the assessee had received the aforesaid amount of Rs.60,00,000/- earlier from the said M/s Golden Further Ltd. Therefore, the impugned addition made by the Assessing Officer being in mechanical manner is not justified, the same is ordered to be deleted.

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

Kolkata, the 19th February, 2024.

Sd/-
[Rajesh Kumar]
Accountant Member

Sd/-
[Sanjay Garg]
Judicial Member

Dated: 19.02.2024.

RS

Copy of the order forwarded to:

1. M/s Lectrodryer Marketing Pvt. Ltd
2. ITO, Ward-9(1), Kolkata
3. CIT(A)-
4. CIT- ,
5. CIT(DR),

//True copy//

By order

Assistant Registrar, Kolkata Benches