

आयकर अपीलीय अधिकरण, कोलकाता पीठ, कोलकाता
IN THE INCOME TAX APPELLATE TRIBUNAL "C" BENCH KOLKATA

Before Shri Sanjay Garg, Judicial Member and Shri Rakesh Mishra, Accountant Member

I.T.A. Nos.1250&1251/Kol/2024

Assessment Year: 2018-19

M/s Sukaram Marketing Ltd.....Appellant

9, Ezra Street, Top Floor- Room No.47,
Kolkata -1.

[PAN:AADCS6061R]

vs.

ITO, Ward-8(2), Kolkata..... Respondent

Appearances by:

Shri Manoj Kataruka, Advocate, appeared on behalf of the assessee.

Shri Raman Garg, Addl. CIT-Sr. DR, appeared on behalf of the Revenue.

Date of concluding the hearing :September 05, 2024

Date of pronouncing the order :September 30, 2024

आदेश / ORDER

संजय गर्ग, न्यायिकसदस्यद्वारा/ Per Sanjay Garg, Judicial Member:

The captioned appeals have been preferred by the assessee against the separate orders both dated 15.05.2024 of the National Faceless Appeal Centre [hereinafter referred to as 'CIT(A)']. ITA No.1250/Kol/2024 is against the confirmation of quantum additions, whereas, vide ITA No.1251/Kol/2024, the assessee has contested the levy of penalty u/s 271AAC of the Income Tax Act (hereinafter referred to as the 'Act').

2. **ITA No.1250/Kol/2024** – The assessee in this appeal has raised two issues through its grounds of appeal. The first issue is relating to the addition of Rs.7,74,553/- made by the Assessing Officer u/s 68 of the Act by treating the advance outstanding as unexplained cash credit.

3. The ld. counsel has brought to our attention to the impugned assessment order and explained that in the accounts of the assessee, there was advance outstanding of Rs.7,74,553/- as on 31.03.2018 in the name of M/s Subhlaxmi Compusis Pvt. Ltd. The Assessing Officer however, observed that there was no such transaction of transfer of the amount reflecting in the bank statement of the assessee. He, therefore, treated the said amount as unexplained advance received by the assessee and made the impugned addition.

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

5. Before us, the ld. counsel for the assessee has demonstrated that the total amount was shown at Rs.8,38,292/- under the head 'other payables'. He, inviting our attention to page 26 of the paper-book, has demonstrated that an amount of Rs.7,74,553/- was shown as balance outstanding as on 31.03.2018 in the name of M/s Subhlaxmi Compusis Pvt. Ltd. He further invited our attention to page 17 of the paper-book to show that the assessee had made sales of Rs.5,89,860/-. He further inviting our attention to page 29 of the paper-book has explained that the opening balance of the said party as on 01.04.2017 was Rs.7,69,823/-. The said party had made further payments to third parties on behalf of the assessee and the closing balance as on 31.03.2018 was Rs.7,74,553/-. Therefore, there was no amount transferred through banking channel during the year under consideration.

7. After going through the records, we find that no such cash credits were received by the assessee from the said party during the year under consideration. The impugned addition, therefore, is not justified and the same is ordered to be deleted.

8. The second issue raised by the assessee is relating to the confirmation of addition of Rs.5,89,860/-.

9. The Assessing Officer noted that the assessee was dealing in shares and had sold 8700 shares of National Aluminum Company Limited @ Rs.68.07 per share to M/s Dahisar Traders Pvt. Ltd., in view of which, he received an amount of Rs.5,89,860/-. The Assessing Officer, not finding the said amount credited in the bank account, made the impugned addition of Rs.5,89,860/- u/s 68 of the Act as unexplained cash credit.

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

11. The ld. counsel for the assessee has submitted that the sale of investment was not disputed, the same was duly reflected in the accounts of the assessee and was taken into account for the purpose of assessment of income. He has further explained that against the total sale consideration of Rs.5,89,860/-, an amount of Rs.5,28,825/- was received and the balance amount of Rs.61,335/- was shown receivable under the head 'trade receivables'. He, therefore, has explained that the said amount was duly reflected in the books of account.

12. The ld. DR could not rebut the same.

13 In view of the above discussion, we do not find any justification on the part of the lower authorities in making/confirming the impugned addition and the same is ordered to be deleted.

14. The remaining grounds are general in nature.

15. In view of the above discussion, the impugned additions are ordered to be deleted. The appeal of the assessee stands allowed.

16. **ITA No.1250/Kol/2024** – In view of the our findings given above, since we have deleted the additions on merits, therefore, the consequential penalty has no legs to stand and the penalty is ordered to be deleted.

17. In the result, both the appeals of the assessee stand allowed.

Kolkata, the 30th September, 2024.

Sd/-
[Rakesh Mishra]
लेखा सदस्य/**Accountant Member**

Sd/-
[Sanjay Garg]
न्यायिक सदस्य/**Judicial Member**

Dated:30.09.2024.

RS

Copy of the order forwarded to:

1. M/s Sukaram Marketing Ltd
2. ITO, Ward-8(2), Kolkata
3. CIT(A)-
4. CIT- ,
5. CIT(DR),

//True copy//

By order

Assistant Registrar, Kolkata Benches