

आयकर अपीलिय अधिकरण, 'बी' न्यायपीठ, चेन्नई।
**IN THE INCOME TAX APPELLATE TRIBUNAL
'B' BENCH: CHENNAI**

श्री मनु कुमार गिरि, न्यायिक सदस्य एवं
श्री जगदीश, लेखा सदस्य के समक्ष

**BEFORE SHRI MANU KUMAR GIRI, JUDICIAL MEMBER AND
SHRI JAGADISH, ACCOUNTANT MEMBER**

आयकर अपील सं./ITA No.1343/Chny/2025
निर्धारण वर्ष/Assessment Year: 2019-20

PVS Metal Mart,
434, Sathya Complex, Om Sakthi
Koil Street, Nambiyur,
Gobichettipalayam,
Erode-638 458.

v.

The DCIT,
Central Circle-2,
Coimbatore.

[PAN: AAMFP 7148 N]

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/ Appellant by

:

Mr.N.C. Ravikrishnan,
Advocate

प्रत्यर्थी की ओर से /Respondent by

:

Mr. Gauthami Manivasagam,
JCIT

सुनवाईकीतारीख/Date of Hearing

:

15.07.2025

घोषणाकीतारीख /Date of Pronouncement

:

21.07.2025

आदेश / ORDER

PER MANU KUMAR GIRI, JM:

This is an appeal preferred by the assessee against the order of the Learned Commissioner of Income Tax (Appeals), (hereinafter in short 'the Ld.CIT(A)'), Chennai-20, dated 26.03.2025 for the Assessment Year (hereinafter in short 'AY') 2019-20.

2. The brief facts of the case are that the assessee is engaged in the trading business of metal vessels and related goods. A survey was



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conducted in the business premises of the appellant on 24.01.2019. The appellant filed return of income for the AY 2019-20 on 31.10.2019, declaring total income of Rs.15,34,270/-. The case was selected for scrutiny and notice u/s 143(2) dated 29.09.2020 was issued to the appellant. Further, notice u/s 142(1) of the Act was issued on 03.03.2021. During the course of survey, it was found that the physical inventory of stock found at the appellant's business premises was Rs.67,63,656/- whereas the book stock as per tally account was only Rs.13,19,857/-. Thereafter, allowing the GST component and gross profit, the difference of the stock was arrived at Rs.40,83,176/-. The AO had observed that the appellant had admitted the stock difference of Rs.30,00,000/- is accounted in the books and offered to tax. However, it was also found that balance of Rs.10,83,000/- was not recorded in the books of accounts and no source for purchase of the stock was provided. On the basis of the above, the AO had made addition of Rs. 10,83,000/- as unexplained investment u/s 69 of the Act and taxed as per the provisions of section 115BBE of the Act.

On further appeal to Id. CIT(A), sustained an addition of Rs.6,65,437/- being excess stock not offered and partly allowed the appeal.

Now assessee is in further appeal before us.



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3. Before us, the Id. counsel for the assessee filed paper book containing pages 1 to 26 to explain the addition on account of excess stock which has been partly sustained by the Id. CIT(A). He submitted that a sum of Rs.15,00,000/- had been offered in the hands of the Firm. The Id. DR on the other hand submitted that paper book containing pages 1 to 26 is subject to verification by the AO. Therefore, in the light of the above rival submissions, we partially set aside the impugned order limited to the sustained addition of Rs.6,65,437/- being excess stock not offered, to the file of AO to verify the explanation of the assessee in the light of the Paper book filed before us. If the explanation found true, then the AO is directed to delete the addition as partly sustained by the Id.CIT(A).

4. In result, appeal of the assessee is allowed for statistical purpose.

Order pronounced on the 21st day of July, 2025, in Chennai.

Sd/-
(जगदीश)
(JAGADISH)

लेखा सदस्य/**ACCOUNTANT MEMBER**

Sd/-
(मनु कुमार गिरि)
(MANU KUMAR GIRI)

न्यायिक सदस्य/**JUDICIAL MEMBER**

चेन्नई/Chennai,

दिनांक/Dated: 21st July, 2025.

TLN, Sr.PS

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त/CIT, Chennai / Madurai / Salem / Coimbatore.
4. विभागीयप्रतिनिधि/DR
5. गार्डफाईल/GF



ITA No.1343/Chny/2025 (AY 2019-20)
PVS Metal Mart

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