

IN THE INCOME TAX APPELLATE TRIBUNAL
'DB', AMRITSAR BENCH, AMRITSAR

HYBRID HEARING

BEFORE HON'BLE SHRI MANOJ KUMAR AGGARWAL, AM
AND
HON'BLE SHRI UDAYAN DAS GUPTA, JM

आयकर अपील सं./ ITA No. 318/ASR/2024
(निर्धारण वर्ष / Assessment Year: 2021-22)

The Straw Board Manufacturing Company Ltd C/o Lala Shri Chunilal free hospital Bajwara, Hoshiarpur – 146 023	बनाम/ Vs.	ITO Ward 1 Hoshiarpur.
स्थायीलेखासं./जीआइआरसं./PAN/GIR No. AAACT-5095-K		
(अपीलार्थी/ Appellant)	:	(प्रत्यर्थी / Respondent)

अपीलार्थीकीओरसे/ Appellant by	:	Sh. Sandeep Vijnh (CA) –Ld.AR
प्रत्यर्थीकीओरसे/ Respondent by	:	Sh. Charan Dass (CIT) – Ld. Sr. DR

सुनवाईकीतारीख/ Date of Hearing	:	04-08-2025
घोषणाकीतारीख / Date of Pronouncement	:	21-08-2025

आदेश / O R D E R

Manoj Kumar Aggarwal (Accountant Member)

1. Aforesaid appeal by assessee for Assessment Year (AY) 2021-22 arises out of an order of Ld. Addl. / Joint Commissioner of Income Tax (Appeals), Kolkata [CIT(A)] dated 26-03-2024 in the matter of an intimation issued by CPC u/s. 143(1) of the Act on 22-11-2022 proposing certain adjustment of Rs.6.58 Lacs to the returned income of the assessee. The Ld. CIT(A) confirmed adjustment of Rs.5.94 Lacs against which the assessee is in further appeal before us. Having

heard rival submissions and upon perusal of case records, the appeal is disposed-off as under.

2. In intimation u/s 143(1), CPC observed incorrect claim u/s 143(1)(a)(ii). The assessee computed the claim at Rs.10,35,757/- whereas CPC computed the same at Rs.3,77,305/- and thus, variation of Rs.6,58,452/- was noted. It was observed in the intimation that the assessee reduced amount of Rs.10,35,757/- from business income on the ground that the same was considered under other heads of income. However, only an amount of Rs.3,77,305/- was considered under other head of income and thus, there was incorrect reduction of business income to the extent of Rs.6,58,452/-. The CPC also proposed another adjustment u/s 43B for Rs.1,04,952/-. However, total income as computed by the assessee was accepted by CPC without making these adjustments.

3. Apprehending any possible rectification u/s 154, the assessee preferred first appeal against the same. It was pointed out that the figure of Rs.10,35,757/- comprised-off profit on sale of car for Rs.1,55,250/- and profit on sale of investment for Rs.8,83,237/-. The investments were considered under the head capital gains whereas the sale proceeds of car were reduced from gross block of assets as per the scheme of the Act. The assessee thus submitted that there was no error in the computation of income as pointed out by CPC. The Ld. CIT(A) partially concurred with assessee's submissions on profit on sale of car. However, on capital gains, it was observed that out of Rs.8,83,237/-, the assessee could reconcile difference of Rs.2,88,840/-

and the remaining amount of Rs.5,94,397/- remained unreconciled. Therefore, the adjustment, to that extent, was confirmed against which the assessee is in further appeal before us.

4. Upon perusal of intimation as issued by CPC, it could be seen that the returned income of Rs.51,74,094/- has duly been accepted by CPC except for an adjustment of Rs.86/-. No such adjustment of reduction of income as confirmed by Ld. CIT(A) has been made by CPC. Upon perusal of computation of income, it could be seen that profit on sale of investments has been offered as well as accepted under the head capital gains and no adjustment as confirmed by Ld. CIT(A) is warranted on these facts. The first appeal was filed by the assessee only on apprehension of possible rectification u/s 154. This being so, the adjustment so sustained in the impugned order, stand deleted. We order so.

5. The appeal stand allowed.

Order pronounced u/r 34(4) of Income Tax (Appellate Tribunal) Rules, 1963.

Sd/-

(UDAYAN DAS GUPTA)
JUDICIAL MEMBER

Sd/-

(MANOJ KUMAR AGGARWAL)
ACCOUNTANT MEMBER

Dated: 21-08-2025

आदेश की प्रतिलिपि अग्रेषित /Copy of the Order forwarded to :

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त/CIT
4. विभागीयप्रतिनिधि/DR
5. गार्डफाईल/GF

ASSISTANT REGISTRAR

ITAT AMRITSAR