

आयकर अपीलीय अधिकरण, कोलकाता पीठ, कोलकाता

IN THE INCOME TAX APPELLATE TRIBUNAL "B" BENCH KOLKATA

**Before Shri Rajesh Kumar, Accountant Member and
Shri Pradip Kumar Choubey, Judicial Member**

**ITA No.787/Kol/2025
Assessment Year: 2021-22**

**Golden Goenka Credit Pvt. Ltd.....Appellant
24 Magma House, 10th Floor,
24, Park Street, Park Centre,
W.B. – 700016..
[PAN: AACCR3964K]**

vs.

PCIT (Central) -2, Kolkata.....Respondent

Appearances by:

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

P N Barnwal, CIT - DR, appeared on behalf of the Respondent.

Date of concluding the hearing : November 11, 2025

Date of pronouncing the order : December 05, 2025

ORDER

Per Pradip Kumar Choubey, Judicial Member:

This appeal filed by the assessee is directed against the order dated 28.03.2025 of the Principal CIT (Central)-2, Kolkata [hereinafter referred to as "the PCIT") exercising his revision jurisdiction u/s 263 of the Income-tax Act, 1961 (hereinafter referred to as "the Act") for the assessment year 2021-22.

2. Brief facts of the case are that the assessee filed its return of income for the assessment year 2021-22 showing loss of Rs.10,36,29,610/- and deemed total income u/s 115JB of the Act at Nil. A search and seizure operation u/s 132 of the Act was conducted on 18.12.2021 in the cases of Raj Group and Others by DIT(Inv.). The return of income of the assessee was selected for scrutiny and after going over the submission made by the assessee and notices u/s 143(2) &

142(1) were issued. However, the Assessing Officer assessed total income of the assessee at a loss of Rs.10,36,29,610/- and further assessed the income of book profit u/s 115JB of the Act as Nil. The ld. PCIT by exercising his revisional jurisdiction u/s 263 of the Act has found that the discrepancies on the following issues:

- i. issue related to claim of loss as 'other deduction'
- ii. issue related to compensation of flat
- iii. issue related to unsecured loan
- iv. issue related to loss in trading of shares
- v. issue related to market to market loss on derivatives

2.1 The ld. PCIT held that it is a case of erroneous assessment and it was prejudicial to the interest of revenue and accordingly show-cause notice u/s 263 of the Act was issue and the ld. PCIT has passed an order by setting aside the assessment order and directed the Assessing Officer to make necessary verification/enquiry and pass de novo assessment order after giving reasonable opportunity to the assessee of being heard.

3. Being aggrieved and dissatisfied by the order of the Ld. PCIT, the assessee preferred the present appeal before us challenging the very impugned order thereby submitting that the ld. PCIT has erred in holding that the assessment order was passed without application of mind as the Assessing Officer assessed the income of the assessee after going over the submission and documentary evidences filed by the assessee. The ld. AR submits that the assessee has filed details of working with respect to calculation of the loss due to conversion of stock-in-trade into investment and there was accounting error from the side of the assessee that the assessee has wrongly classified shares of

Lokesh Machines Ltd. into capital assets (investments) but later on he correctly claimed in the computation of income as per ITR filed for assessment year 2021-22, therefore, no loss to the interest of the revenue has occurred. The ld. further submits that during the year, the assessee has received compensation of Rs.17,11,250/- on cancellation of flat booking and it has duly been disclosed in the Profit & Loss A/c which is evident from the computation of income for the AY 2021-22 as Business Income which is enclosed in the paper book. The ld. AR further submits that during the year, the assessee took a loan for Rs.128.00 lakhs from the parties that has been duly repaid and during the course of the assessment proceedings, the assessee furnished the relevant documents before the Assessing Officer in support of the said loan transactions such as Loan Confirmations, bank Statements, Audited Financial Statements, ITR Acknowledgment, source of fund etc. and in response to notice issued u/s 133(6) of the Act and the same was duly complied with and the assessing officer was duly satisfied with the transaction and accepted the same. The ld. AR further submits that so far as the issue related to loss in trading of shares is concerned, the assessee incurred heavy loss in share trading amounting to Rs.9,75,80,396/- during the A.Y 2021-22 due to Covid pandemic It was submitted that the detailed calculation sheet of such loss due to valuation at Lower of Cost or NRV as on 31.03.2021 was duly filed before the Assessing Officer. The ld. AR submits that before the Assessing Officer, the assessee has submitted documentary evidences with respect to scrip of Banas Finance Ltd., script of DB Realty Ltd., script of GHCL. The ld. AR further submits that in respect of issue of loss on derivatives, the assessee had incurred market to market loss of Rs.3,07,764/- on equity derivatives during the year ended on 31.03.2021 and the assessee traded in such equity derivatives through two registered brokers namely M/s Aristro Capital Markets Ltd and M/s Nuvama Wealth and

Investment Ltd (Formerly known as Edelweiss Broking Ltd) and copy of ledger for such loss along with contract notes was also verify by the Assessing Officer and so the ld. PCIT should not interfere with the assessment order on all the issues. The ld. AR has filed decision of the Hon'ble Calcutta High Court in the case of Rajmandir Estates (P) Ltd. [2016] 70 taxmann.com 124 (Cal), Hon'ble Delhi High Court PCIT vs. Paramount Propbuild (P) Ltd. [2024] 161 taxmann.com 85 (Del), further the decision of the Coordinate Bench of the Tribunal in the case of Decorum Infrastructure Pvt. Ltd. in ITA No.785/Kol/2025 & Arun Engineering Udyog Pvt. Ltd. vs. PCIT in ITA No.786/Kol/2025.

4. Contrary to that, the ld. DR supports the impugned order.

5. Upon hearing the submissions of the counsels of the respective parties and we have perused the impugned order and it appears that the ld. PCIT vide its impugned order passed u/s 263 of the Act has found the following discrepancy in the order of the Assessing Officer which are as follows:

- a) issue related to claim of loss as 'other deduction'
- b) issue related to compensation of flat
- c) issue related to unsecured loan
- d) issue related to loss in trading of shares
- e) issue related to market-to-market loss on derivatives

5.1 Now, we take the issue-wise:

a) issue related to claim of loss as 'other deduction' – We find that during the year, the assessee has converted stock-in-trade of 1,48,665 number of equity shares of Mis Lokesh Machines Ltd into capital assets and the detailed working with respect to calculation of loss due to conversion of such stock-in-trade into investments is available on Page 123 of the

Paper Book. Therefore, as per the working, net amount of Rs.54,32,993/- (i.e. difference between cost & FIMV of 1,48,665 shares of Mis Lokesh Machines Ltd) as on the date of conversion of stock-in-trade into capital assets should be claimed as loss on conversion and out of the entire loss of Rs.54,32,993/-, loss of Rs.18,72,470/- was reported through Profit & Loss A/c in Inventories valuation and balance Rs.35,60,523.40 was claimed as other deduction in Computation of Income. Going over the above documentary evidences filed by the assessee, we do not find any hesitation to hold that there is no reason for the Id. PCIT to hold that the order of the Assessing Officer as erroneous and prejudicial to the interest of the revenue.

b) issue related to compensation of flat - We find that during the year, the assessee received compensation of Rs.17,11,250/- on cancellation of flat booking and has duly disclosed such income in the Profit & Loss A/c and have included such income in the tax computation for the A.Y 2021-22 as business income and the copy of such computation of income is available on Pages 120 to 122 of the Paper Book. We further find that the Ld. PCIT treated the income as capital gain as 'Income from Other Sources'. We note that since the said income is short-term income in nature for holding less than 24 months and the rate of tax on such short-term capital gain is similar to regular income tax rates under different heads. We, therefore, do not find that there would be any impact on revenue and also there is any loss of interest to the revenue, hence, we hold that there is no reason for the Id. PCIT to hold that the order of the Assessing Officer as erroneous and prejudicial to the interest of the revenue.

c) issue related to unsecured loan - We find that during the year, the assessee has taken a loan for Rs. 128.00 Lakhs. The loan has been taken from the following parties.

CIN : U65993WB1994PTC065409
25A, S. P. MUKHERJEE ROAD, 5TH FLOOR, KOLKATA - 700 025
M. : 78720 41394, e : risewellit2013@gmail.com

Name and Address of Party	PAN	Loan Taken Amount (Rs.)	Net Worth of the Lender (Rs.)	Loan Repaid in AY
Main Land Finance PvtLtd 69A, Lenin Sarani, 3 rd Floor, Kolkata 700013	AACCM3533D	7,71,00,000	9,927.83 Lakhs	AY 2021-22
Sri Salasar Suppliers Pvt Ltd 69A, Lenin Sarani, 3 rd Floor, Kolkata 700013	AADCS8457R	10,14,00,000	2,422.87 Lakhs	3,16,00,000 in AY 2021-22 6,98,00,000 in AY 2022-23
Jajodia Finance Ltd 69A, Lenin Sarani, 3 rd Floor, Kolkata 700013	AAACJ8457D	11,18,00,000	6,005.89 Lakhs	5,52,00,000 in AY 2021-22 5,66,00,000 in AY 2022-23
	Total	Rs.29,03,00,000		

We also find that during the course of the assessment proceedings, the assessee furnished the supporting documents before the assessing officer in support of the above loan transactions like Source of Fund, Loan Confirmations duly signed, Highlighted Copy of Bank Statements, Audited Financial Statements, ITR Acknowledgment and the loan creditors have sufficient net worth to provide loan to the assessee and all the loans were duly paid in the subsequent years and due compliance was made in response to notice issued u/s 133(6) of the Act and the transactions were accepted by the Assessing Officer. Considering the above, we do not find any reason for the ld. PCIT to hold that the order of the Assessing Officer as erroneous and prejudicial to the interest of the revenue.

d) issue related to loss in trading of shares – We find that the assessee incurred heavy loss in share trading amounting to Rs.9,75,80,396/-

during the A.Y 2021-22 as there was crash in the markets worldwide due to Covid pandemic and the detailed calculation sheet of such loss due to valuation at Lower of Cost or NRV as on 31.03.2021 is available on Pages 413 to 428 of the Paper Book. We also find that during the A.Y 2021-22, the assessee converted shares of Lokesh Machines Ltd into Investments from Inventories and due to an error in accounting, such shares of Lokesh Machines Ltd was wrongly reported under Closing Stock as on 31.03.2021 (i.e. Inventories), therefore, the loss attributable to such shares (due to valuation at lower of Cost or NRV) amounting to Rs.18,72,470/- was wrongly claimed and was included in the said calculation sheet of loss. We further find that the assessee submitted documentary evidences with respect to scrip of Banas Finance Ltd., script of DB Realty Ltd., script of GHCL before the Assessing Officer and the Assessing Officer duly examined the documentary evidences during the assessment proceedings and the ld. PCIT ought not to hold that the order of the Assessing Officer as erroneous and prejudicial to the interest of the revenue.

e) issue related to market-to-market loss on derivatives – We find that the assessee company incurred Market to Market Loss of Rs.3,07,764/- on Equity Derivatives during the year ended 31-03-2021 and the assessee has traded in such equity derivatives through two registered brokers namely M/s Aristro Capital Markets Ltd and M/s Nuvama Wealth and Investment Ltd and the assessee submitted copy of ledger for such loss, copy of contract notes which is available on Pages 449 to 480 of the Paper Book. We also find that the Assessing Officer examined the documentary evidences during the assessment proceedings and the Assessing Officer has not found any discrepancy in the documents submitted by the assessee. We note that the ld. PCIT should not interfere

in the order of the Assessing Officer holding the same as erroneous and prejudicial to the interest of the revenue.

5.2 We have gone through the cited decision of the Hon'ble Calcutta High Court in the case of Rajmandir Estates Private Limited vs. Pr. CIT [386 ITR 162 \[Cal-HC\]](#) which has been affirmed by the Hon'ble Supreme Court, as also in the case of Daniel Merchants Private Limited vs. ITO pronounced by the Hon'ble Supreme Court on 29.11.2017, that the CIT is entitled to revise the assessment order u/s 263 of the on the ground that the Assessing Officer did not make any proper inquiry while accepting the explanation of the assessee.

6. Keeping in view the above discussion, we find that the order passed u/s 143(3) of the Act by the Assessing Officer cannot be said to be prejudicial to the interest of the revenue as the assessee has duly disclosed the entire thing before the Assessing Officer. Hence, the revision order u/s 263 of the Act passed by the Id. PCIT is hereby set aside.

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

Kolkata, the 5th December, 2025.

Sd/-
[Rajesh Kumar]
Accountant Member

Sd/-
[Pradip Kumar Choubey]
Judicial Member

Dated: 05.12.2025.

RS

Copy of the order forwarded to:

1. Appellant -
2. Respondent -
3. CIT(A)-
4. CIT- ,
5. CIT(DR),

//True copy//

By order

Assistant Registrar, Kolkata Benches