

OD-11

IN THE HIGH COURT AT CALCUTTA
SPECIAL JURISDICTION [INCOME TAX]
ORIGINAL SIDE

ITAT/71/2025
IA NO: GA/2/2025

PRINCIPAL COMMISSIONER OF INCOME TAX-1, KOLKATA
VS
IMPROVE FINANCIAL CONSULTANTS PRIVATE LIMITED

BEFORE :

THE HON'BLE JUSTICE SOUMEN SEN, CHIEF JUSTICE (ACTING)

-A N D-

HON'BLE JUSTICE APURBA SINHA RAY

DATE : 17th September, 2025

Mr. Aryak Dutt, Adv.
Mr. Soumen Bhattacharjee, Adv.
Mr. Ankan Das, Adv.
Ms. Shradhya Ghosh, Adv.
...for appellant
Mr. Rajesh Kumar Mishra, Adv.
Mr. Sutirtha Das, Adv.
...for respondent

The Court : This appeal is directed against an order passed by the Income Tax Appellate Tribunal, Kolkata B Bench, Kolkata in connection with an appeal preferred by the assessee against the order passed by the Commissioner of Income Tax (Appeals), Income Tax Department, rejecting the

explanation offered by the assessee with regard to unexplained investments to the tune of Rs.5,60,77,100/- and unexplained loans and advances to the tune of Rs.5,76,01,200/-.

The learned counsel for the appellant had submitted that the documents on which reliance has been placed by the Tribunal were not produced before the Commissioner of Income Tax (Appeals) and also before the Assessing Officer and it was only before the Appellate authority such documents have been placed for consideration.

However, the fact remains that if the assessee is able to demonstrate and offer explanations at the appellate stage and the Appellate authority found the said documents are relevant for the purpose of deciding the issue, we do not find any reason for not accepting the said documents and deciding the appeal.

Learned counsel for the assessee has produced before us a bunch of documents to show that the documents on which the Appellate Tribunal has relied upon in paragraphs 11 and 12 of the impugned order were before the Commissioner of Income Tax (Appeals) and those documents have not been considered at all by the Commissioner of Income Tax (Appeals).

The issue with regard to unexplained investments to the tune of Rs.5,60,77,100/-, was decided in favour of the appellant after taking into consideration the audited financial statement for current financial assessment year, that is, 2012-13 and also for immediately preceding financial year, that

is, 2011-12. The details of investment for the financial years 2011-12 and 2012-13 were part of the paper book and the Appellate authority has considered the said reports to arrive at a finding that during the year no fresh investment has been made as would be reflected from page 6 of the paper book. Initially, there was an investment of Rs.7,98,97,100/- in equity shares as on 31.3.2013, which has been reduced to Rs.5,60,77,100/- as during the year under assessment the assessee sold equity shares for a consideration of Rs.2.38 Crore. The Appellate authority has relied upon the relevant schedule of the balance sheet, which prima facie indicates that the Assessing Officer has made the addition for the total investment in equity shares appearing as on 31.3.2013 totally ignoring the investments as on the last day of the preceding financial year. Even the documents available in the public domain in the portal of the Ministry of Corporate Affairs were also relied upon by the Appellate authority in support of its conclusion as regarding the sale of such equity shares.

In so far as the unexplained loans and advances to the tune of Rs. 5,76,02,100/- is concerned, the Appellate authority had taken into consideration the details of the loans and advances as on the close of financial year 2011-12 and 2012-13, wherefrom it would appear that the loans and advances as on 31.3.2012 stood at Rs.2,35,01,200/- and the same increased to Rs.5,76,01,200/- as on 31.3.2012. Hence, there was a net increase of

Rs.3.41 Crore. In the said increase of Rs.3.41 Crore, one of the outstanding loan and advances from preceding year at Rs.18 Lakh given to Ganga Carriers Pvt. Ltd. was received back during the year. The Appellate authority has taken into consideration that fresh loans had been given to Rani Sati Enterprises Pvt. Ltd. at Rs.10 Lakh, Amar Kumar Agarwal at Rs.15 Lakh, Gangotri Electrocasting Ltd. at Rs.6 Lakh, additional loan to Gangotri Iron & Steel Co. Ltd. at Rs.3.26 Crore and Rs.2 Lakh to Sanjeev Kumar Choudhary. The issue with regard to the source of the said fund was explained by the assessee as it appears that it was partly from the funds realized from the sale of equity shares of Rs.2.38 Crore and a fresh unsecured loan of Rs. 1,03,25,000/- which was received from A.V. Ispat Pvt. Ltd. at Rs.1 Crore and Ganga Carriers Pvt. Ltd. at Rs.3.25 Lakh.

The assessee has given full and detailed particulars with regard to unsecured loans which he has received from sister concern and the transactions have been done through banking channel and the creditors who have given loan in cash are all private limited companies duly assessed to tax and registered at the Ministry of Corporate Affairs.

Having regard to the aforesaid facts and that the decision is supported by the documents produced before the Appellate Tribunal, we do not find any substantial questions of law involved for which this appeal can be admitted.

These are entirely questions of fact decided by the Tribunal in favour of the assessee.

Accordingly, the appeal fails and is dismissed.

The stay application, IA NO: GA/2/2025, is also dismissed.

(SOUMEN SEN, C.J. (ACTING))

(APURBA SINHA RAY, J.)