

## Re-examination of accounts already verified by AO in detail during assessment not a ground for reassessment

**Summary – The High Court of Bombay in a recent case of Cartier Leafin (P.) Ltd., (the Assessee) held that re-examination of accounts already verified by AO in detail during assessment would not be a ground for reassessment**

### Facts

- The assessee declared a loss in its ITR. In assessment, the Assessing Officer made few additions/disallowances which resulted in assessee's taxable income.
- The Principal Commissioner held that the assessment order passed by the Assessing Officer appeared to be erroneous and prejudicial to the interest of revenue and made certain adjustment towards operational loss. Notice under section 263 was issued by the Principal Commissioner.
- On the assessee's appeal, the Tribunal noted that from the records available it was evident that complete details in support of claim of operating were made available by the assessee-company to the Assessing Officer and thus the *show cause notice* under section 263 by the Principal Commissioner was issued without examining the assessment records, and the view taken by the Assessing Officer after examination of exhaustive details and evidence was a possible view.
- On revenue's appeal before the High Court:

### Held

- The HC held that the basis to invoke section 263 factually did not exist as there was due enquiry by the Assessing Officer during the assessment proceedings leading to the assessment order. Thus, the Assessing Officer had applied his mind while accepting the claim of the assessee of operating loss making the proceedings under section 263 bad in law. In any event, the view taken on fact by the Assessing Officer is a possible view and the same is not shown to be bad.
- In the above view, the question as proposed does not give rise to any substantial question of law. Thus, not entertained. Appeal is, therefore, dismissed.