

IN THE INCOME TAX APPELLATE TRIBUNAL GUWAHATI BENCH, GUWAHATI

**BEFORE DR. MANISH BORAD, HON'BLE ACCOUNTANT MEMBER
AND SHRI SONJOY SARMA, HON'BLE JUDICIAL MEMBER**

**ITA Nos. 28/GTY/2023
Assessment Year: 2018-19**

Sri Samrat Dey House No. 21, Fatasil Ambari, Jyoti Path, Guwahati-781025. PAN: AGWPD 5308 A (Appellant)	Vs.	ACIT, Central Circle-1, Guwahati (Respondent)
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Present for:

Appellant by : Shri Kishor Jain, FCA
Respondent by : Shri Arun Bhowmick, JCIT

Date of Hearing : 12.10.2023
Date of Pronouncement : 18.10.2023

ORDER

PER SONJOY SARMA, JM:

This appeal of the assessee for the assessment year 2018-19 is directed against the order dated 25.04.2021 passed by the ld. Commissioner of Income-tax, Appeals, Central Circle-1, Guwahati [hereinafter referred to as 'the ld. CIT(A)']. The assessee has raised the following grounds of appeal:

- i. For that the assessment order is not based on correct facts and findings and is erroneous on points of law.*
- ii. For that the order passed by the ld. CIT(a) is in gross violation of principle of natural justice.*
- iii. For that on the facts and circumstances of the case as well as on the points of law, the assessing officer erred in making addition of Rs. 5503297/- and the ld. CIT(A) also erred in confirming the same.*
- iv. For that any other ground/grounds may kindly be allowed to be urged at the time of hearing."*

2. Brief facts of the case are that the assessee filed its return of income for the A.Y. 2018-19 showing total income at Rs. 2,97,69,750/-. In the case of assessee, a survey action was conducted u/s 133A of the Act on 09.03.2018. Subsequently, the case of the assessee was selected for compulsory scrutiny followed by notices issued u/s 143(2) and 142(1) of the Act. In response to notices, the ld. AR of the assessee appeared before the AO and furnished a necessary detail as called for. During the assessment proceeding, the ld. AO noticed that the assessee has reduced his net profit percentage during the relevant assessment year as compared to the preceding year showing below the profit percentage of 8.01% and the ld. AO by applying the turnover of the relevant assessment year the net profit arrived at Rs. 3,55,62,981/- including the disclosure amount of Rs. 1,55,18,229/- (calculated as 8.01% of 25,02,46,598 + 1,55,18,229/-) whereas the assessee had disclosed net profit amounting to Rs. 3,00,59,684/- as per computation of income. The assessee was shown a difference of profit of Rs. 55,03,297/- (calculated as 3,55,62,981 – 3,00,59,684/-). Due to above difference, the ld. AO had issued notice to assessee. In response to the said notice assessee furnished his reply by stating that there were some unplanned and unexpected expenditures which increased the cost of services like extra payment of service tax, legal and professional expenses for filing cases against the debtors for recovery of dues. However, the ld. AO did not satisfied with the reply of the assessee and viewed that the net profit percentage during the assessment year in question as compared to the preceding year was not sustainable and difference amount of Rs. 55,03,297/- was added to the business income of the assessee on account of suppression of profit and determined the assessed income of assessee at Rs. 3,52,73,044/- in the hands of assessee.

3. Dissatisfied with the above order, assessee preferred an appeal before the Id. CIT(A) where the appeal of the assessee was dismissed.

4. Feeling aggrieved with the above order, assessee is in appeal before the Tribunal raising multiple grounds of appeal. However, the main grievance of the assessee is that the assessee could not produce the necessary document before the AO in order to substantiate its claim like bills, vouchers etc in support of expenses as claimed by the assessee. Similarly, those documents were not produced at the time of hearing before the Id. CIT(A) therefore one more opportunity should be given to the assessee to furnish such document before the AO in order to justify its claim.

5. We after hearing the rival submission of the parties and perused the material available on record. We find that it is fair to grant one more opportunity to assessee to substantiate its claim before the AO by producing necessary document. Accordingly, the issue is set aside to the file of AO for de novo adjudication after granting the assessee adequate opportunity to substantiate its claim. In terms of the above, the appeal of the assessee is hereby allowed for statistical purposes.

6. In the result, the appeal of the assessee is allowed for statistical purposes.

Order pronounced in the open court on 18.10.2023

Sd/-

**(MANISH BORAD)
ACCOUNTANT MEMBER**

Sd/-

**(SONJOY SARMA)
JUDICIAL MEMBER**

Kolkata, Dated:18.10.2023
Biswajit, Sr. P.S.

Copy to:

1. The Appellant: Sri Samrat Dey.
2. The Respondent: ACIT, Central Circle-1, Guwahati.
3. The CIT,
4. The CIT (A)
5. The DR

//True Copy//

By Order

Assistant Registrar
ITAT, Kolkata Benches, Kolkata