

IN THE INCOME TAX APPELLATE TRIBUNAL "C" BENCH KOLKATA

**Shri Sonjoy Sarma, Judicial Member
Shri Sanjay Awasthi, Accountant Member**

**I.T.A. No. 1659/Kol/2024
Assessment Year: 2017-18**

Madhu Khanna,
46, Jamunalal Bajaj Street,
Burra Bazar, Kolkata - 700007
[PAN: AFNPK5419H] **Appellant**

vs.

I.T.O. Ward-32(3), Kolkata,
10B, Middleton Row,
Kolkata - 700071 **Respondent**

Appearances by:

Assessee represented by : Manish Tiwari, A.R.

Department represented by : Altaf Hossain, Addl. CIT

Date of concluding the hearing : October 21, 2024

Date of pronouncing the order : October 22, 2024

ORDER

Per Sonjoy Sarma, Judicial Member:

This appeal filed by the assessee pertaining to the Assessment Year (in short 'AY') 2017-18 is directed against the order passed u/s 250 of the Income Tax Act, 1961 (in short the 'Act') by the Learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi (in short 'the Ld. CIT(A)'), dated 17.06.2024 arising out of Assessment Order dated 26.11.2019, passed under Section 143(3) of the Act.

2. The Assessee has raised the following grounds of appeal:

"1.) That on the facts and in the circumstances of the case, Ld. CIT(A) erred in confirming the action of AO who made addition of Rs. 29,35,000/- u/s 69A of the Act without considering the business needs of wholesale / retail business.

2.) That on the facts and in the circumstances of the case, Ld. CIT(A) erred in confirming the action of AO who made addition of Rs. 20,99,120/- u/s 69C of the Act without understanding the nature of advance given for purchase of an immovable property from Bank A/c.

3.) That the appellant craves leave to add, alter, adduce or amend any ground or grounds on or before the date of hearing of the appeal."

3. The appellant/assessee is a business woman, engaged in the wholesale and retail trade of sarees and salwars, operating under proprietorship of KCRD Fashions at Burra Bazar, Kolkata. The assessee filed her return of income on 03.08.2017 by declaring total income of Rs. 5,74,700/-. The return was processed u/s 143(1) of the Act and a refund of Rs. 37,640/- was also granted to the assessee. Later on, the assessee's case was selected for scrutiny under CASS followed by statutory notices issued u/s 143(2) and 142(1) of the Act. Despite the submission of the details by the assessee, the AO was not satisfied and completed the assessment u/s 143(3) of the Act on 26.11.2019 by determining the total income at Rs. 56,08,820/-. The Ld. AO made two major additions to the income of the assessee:

(1) Addition u/s 69A of the Act : Rs. 2935,000/- on account of unexplained cash deposits.

(2) The addition of advance payment of Rs. 20,99,120/- to P.S. Marlin Developers LLP as an advance for purchase of a flat, which was made through banking channels.

This amounts were added to the income of the assessee. Assessee, dissatisfied with the additions filed an appeal before the Ld. CIT(A), which was dismissed.

4. At the time of hearing, the Ld. AR argued on behalf of the assessee stated that the assessee was unable to represent her case properly due to her being a lady and that she could not fully respond to the queries raised by the AO. Consequently, the assessment order was passed without proper consideration of her submissions. Additionally, the Ld. CIT(A) also did not thoroughly consider her submissions. Given the circumstances, the assessee requested another opportunity to present her case properly which is suggested that the matter may be remanded to the AO with a direction to re-examine the issues involved in the appeal.

5. We after hearing the submission of both the parties and reviewing the available record, we find that the assessee indeed failed to represent her case adequately during the assessment proceedings. The details questionnaire is issued by the AO were not fully complied with. In the interest of justice and ensuring natural justice, we find it necessary to remand the matter to the file of AO. The Ld. AO is directed to re-examine the entire case after providing the assessee with proper opportunity to present her case. Consequently, the appeal is set aside for statistical purposes and the order of AO is remanded for fresh adjudication.

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

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

Kolkata, the 22nd October, 2024.

Sd/-
[Sanjay Awasthi]
Accountant Member

Sd/-
[Sonjoy Sarma]
Judicial Member

Dated: 22.10.2024.
AK, PS

Copy of the order forwarded to:

1. Madhu Khanna
2. I.T.O. Ward-32(3), Kolkata
3. CIT(A)-
4. CIT-
5. CIT(DR),

//True copy//

By order

Assistant Registrar, Kolkata Benches