

आयकर अपीलीय अधिकरण, कोलकाता पीठ, कोलकाता

IN THE INCOME TAX APPELLATE TRIBUNAL "SMC" BENCH KOLKATA

Before Shri Sonjoy Sarma, Judicial Member and Shri Rakesh Mishra, Accountant Member

I.T.A. Nos.329 & 330/Kol/2025
Assessment Years: 2012-13 & 2013-14

Suvenjit Sen.....Appellant
3/1, N. C. Sen Lane,
Salkia, Howrah-711106.
[PAN: AMBPS1594G]

vs.

ITO, Ward-48(2), Kolkata.....Respondent

Appearances by:

Shri Anil Kochar, AR appeared on behalf of the assessee.
Shri Kallol Mistry, JCIT, Sr. DR, appeared on behalf of the Revenue.

Date of concluding the hearing : May 13, 2025

Date of pronouncing the order : May 26, 2025

ORDER

Per Sonjoy Sarma, Judicial Member:

The captioned appeals have been preferred by the assessee against two separate orders all dated 26.06.2024 passed by the National Faceless Appeal Centre [hereinafter referred to as 'CIT(A)'] passed u/s 250 of the Income Tax Act (hereinafter referred to as the 'Act') for assessment years 2012-13 & 2013-14 respectively. Since, the issues involved in both the appeals are common and relate to the same assessee, therefore, these appeals have been heard together and are being disposed of by this consolidated order. First, we take up the issue in respect of ITA No.329/Kol/2025 for assessment year 2012-13.

2. At the outset, the Registry has informed that there are delays of 170 days in filing both the present appeals. The assessee filed applications for condonation of delay stating reasons for such delay. After considering the applications, we find reasonable cause which was

beyond the control of the assessee and the delays were not intentional. We, therefore, condone the delay in filing the appeals and adjudicate the appeals on merits of the case.

3. ITA No.329/Kol/2025 - Brief facts of the case are that the assessee filed his return of income for the assessment year 2012-13 by declaring total income of Rs.4,89,920/-. The return was processed and subsequently selected for scrutiny. The Assessing Officer noted that the assessee had declared a net profit of Rs.7,12,420/- as against turnover of Rs.318502270/- which is at 0.21% on the said turnover which is very low as compared with business of similar nature. Accordingly, the Assessing Officer completed the assessment ex parte u/s 144 of the Act by estimating income of the assessee 1.1% of the turnover of Rs.3503524/- without citing any specific basis for such estimation.

4. Dissatisfied with the above order, the assessee preferred an appeal before the ld. CIT(A). However, the ld. CIT(A) confirmed the action of the Assessing Officer without assigning any cogent reason or examining any factual matrix by sustaining the order of the Assessing Officer.

5. Aggrieved by the said order, the assessee filed the present appeal before this Tribunal raising various grounds. However, the main contention of the ld. AR at the time of hearing is that the estimation of net profit @ 1.1% which was made without any justification and that even the ld. CIT(A) has not considered the facts or the nature of the business. The ld. AR further submitted that to avoid any further litigation, the assessee is willing to accept a reasonable net profit @ 0.6% of the turnover which would result in an estimation profit of Rs.1911014/- on turnover of Rs.318502270/- and this estimation shall be reasonable.

6. On the other hand, the ld. DR did not raise any specific objection to the above proposal of the ld. AR.

7. We, after hearing both the parties and perusing the materials available on record, find that the Assessing Officer did not assign any cogent reason for estimation of net profit @ 1.1% on the turnover and even the Id. CIT(A) upheld the same estimation without any independent verification and analysis. In such a situation and considering the willingness of the assessee to offer net profit estimation @ 0.6% and to avoid any further litigation, we deem it proper to restrict the net profit estimation @0.6% of the turnover. Accordingly, we direct the Assessing Officer to compute the net profit income at Rs.1911014/- for the assessment year 2012-13. Hence, ITA No.329/Kol/2025 is partly allowed.

8. ITA No.330/Kol/2025 – Since the facts and issues involved in all these appeals are identical, except different in figures or calculations, therefore, our findings/directions given above in ITA No.329/Kol/2025 will mutatis mutandis apply to ITA Nos.330/Kol/2025. Therefore, by applying the same ratio of net profit 0.6%, we also direct the Assessing Officer to compute the net profit income at Rs.2046580/- against the turnover of Rs.341096612/- for the assessment year i.e 2013-14 also. Hence, ITA No.330/Kol/2025 is also partly allowed.

9. In terms of the above, both the captioned appeals of the assessee are partly allowed.

Kolkata, the 26th May, 2025.

Sd/-

[Rakesh Mishra]

लेखा सदस्य/Accountant Member

Sd/-

[Sonjoy Sarma]

न्यायिक सदस्य/Judicial Member

Dated: 26.05.2025.

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