

**IN THE INCOME TAX APPELLATE TRIBUNAL,  
'A' BENCH, KOLKATA**

**Before Shri Duvvuru RL Reddy, Vice-President (KZ)  
&  
Shri Sanjay Awasthi, Accountant Member**

**I.T.A. No. 127/KOL/2025  
Assessment Year: 2017-2018**

***Chitragupta Sales & Services Pvt. Ltd.,.....Appellant  
39, Shree Centre, Kali Krishna Tagore Street,  
Kolkata-700007  
[PAN:AACCC4454B]***

**-Vs.-**

***Commissioner of Income Tax (Appeals),....Respondent  
Kolkata-27,  
110, Shanti Pally, Aayakar Bhawan Poorva,  
Kolkata-700107***

**Appearances by:**

*N o n e, appeared on behalf of the assessee*

*Shri Subhro Das, Addl. CIT, Sr. D.R., appeared on behalf  
of the Revenue*

**Date of concluding the hearing: June 16, 2025**

**Date of pronouncing the order: June 24, 2025**

**O R D E R**

**Per Duvvuru RL Reddy, Vice-President (KZ):-**

The present appeal is directed at the instance of assessee against the order of Id. Commissioner of Income Tax (Appeals), Kolkata-27 dated 10<sup>th</sup> September, 2024 passed for Assessment Year 2017-18.

2. The appeal is time barred by 47 days in filing the appeal by the assessee. However, Director of the assessee-firm filed an Affidavit for condonation of delay in filing appeal stating that he was suffering from health concerns and had to travel outside Kolkata to undergo medical surgery in the month of November, 2024 at 'Breach Candy Hospital', Mumbai and admitted from 15.11.2024 to 19.11.2024 and was unable to attend to the compliance for filing of appeal before the Tribunal. When the assessee came to know about the order passed by the Id. CIT(Appeals) without considering the merit of the case, the assessee approached the Id. A.R. to prefer appeal, due to that there was a delay of 47 days in filing the appeal before the Tribunal. Therefore, he pleaded to condone the delay.

3. Considering the facts and circumstances of the case, we are of the view that the assessee was prevented in filing the appeal within the stipulated time. Therefore, we are inclined to condone the delay of 47 days. Hence the delay is condoned.

4. Brief facts of the case are that the assessee is a Private Limited Company, which filed its return of income for the assessment year 2017-18 on 29.10.2017 declaring total income of Rs.97,57,630/-. The case was selected for limited scrutiny through CASS and notice under section 143(2) dated 20.08.2018 was issued and duly served upon the assessee. Subsequently notice under section 142(1) dated 23.08.2019 along with the detailed questionnaire were issued and duly served upon the assessee. Later notice under section 142(1) was issued along with detailed

questionnaire to the assessee and duly served upon the assessee. In response to statutory notices, the assessee furnished information, clarifications, details, supporting evidence as requisitioned. During the course of assessment proceedings, it is noticed that the assessee-company has received dividend income of Rs.3,75,000/-. On perusal of the return of income for the year under consideration, it is seen that the assessee has disallowed *suo motu* Rs.25,395/- under section 14A of the Act. The assessee has not disallowed all the direct expenses related to exempt income. The assessee has not taken into consideration 1% of the annual average of monthly average of opening and closing balanced of the value of investment which yielded exempt income during the year. In spite of issuing notice under section 142(1) of the Act asking the assessee-company to provide 1% of the annual average of the monthly average of opening and closing value of the value of investments, but the assessee did not provide the details necessary for ongoing assessment proceedings. 1% of annual average of monthly average of opening and closing balance of the value of investment comes to Rs.15,00,000/-. In addition of this, direct expenses related to earning exempt income comes to Rs.7,777/- (Rs.6,460/- and Rs.1,317/-) claimed under the head legal & professional charges, demat charges respectively. Therefore, total disallowance under section 14A of the Act after calculation comes to Rs.15,07,777/-. There is a difference of Rs.14,82,383/-. The assessee was show-cause vide letter dated 09.12.2019 stating that why difference amount of disallowance under section 14A amounting to Rs.14,82,383/- should not be disallowed under section 14A of the Act and added to the total

income. As the direct expenses related to earning exempt income comes to Rs.1,317/- under the head demat charges, the total disallowance under section 14A after calculation comes to Rs.15,01,317/- and the assessee had already *suo motu* disallowed Rs.25,395/-, therefore, the difference of Rs.14,75,922/- was disallowed by the ld. Assessing Officer under section 14A of the Income Tax Act read with Rule 8D. Finally, ld. Assessing Officer determined the assessed taxable income of the assessee at Rs.1,12,33,550/-. Being not satisfied, the assessee preferred an appeal before the ld. CIT(Appeals).

5. The ld. CIT(Appeals) has given several opportunities to the assessee to substantiate its claim, but the appellant neither filed the written submission nor represented the case before the ld. CIT(Appeals). Thereafter the ld. CIT(Appeals) dismissed the appeal *ex-parte* on 10<sup>th</sup> September, 2024.

6. On being aggrieved, the assessee preferred an appeal before the ITAT.

7. None appeared on behalf of the assessee at the time of hearing. Therefore, we have decided to dispose of the appeal after hearing the ld. Departmental Representative and perusing the material available on record.

8. We have heard the ld. Departmental Representative. At the outset, ld. D.R. brought to our notice that the assessee did not produce the relevant documents as asked by the ld. Assessing

Officer during the assessment proceedings. Therefore, the ld. Assessing Officer passed the assessment order assessing the taxable income at Rs.1,12,33,550/-. Thereafter the assessee preferred an appeal before the ld. CIT(Appeals). The ld. CIT(Appeals) has given many opportunities to the assessee and the assessee neither filed written submission nor any evidence before the ld. CIT(Appeals). He further submitted that before the ITAT, the assessee did not substantiate its claim. Therefore, he pleaded to uphold the order passed by the CIT(Appeals).

9. We have perused the material available on record. Considering the facts and circumstances of the case, we are inclined to set aside the order passed by the ld. CIT(Appeals) in order to meet the principle of natural justice, and remit the matter back to the file of ld. CIT(Appeals) with a direction to provide one more opportunity of being heard to the assessee. At the same breath, we also hereby caution the assessee to promptly co-operate with the proceedings before the Ld. CIT(Appeals) failing which the Ld. CIT(Appeals) shall be at liberty to pass appropriate order in accordance with law and merits based on the materials available on the record. Thus, the grounds raised by the assessee are allowed for statistical purposes.

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

Order pronounced in the open Court on 24/06/2025.

Sd/-  
**(Sanjay Awasthi)**  
**Accountant Member**

Sd/-  
**(Duvvuru RL Reddy)**  
**Vice-President (KZ)**

***Kolkata, the 24<sup>th</sup> day of June, 2025***

- Copies to :* (1) *Chitragupta Sales & Services Pvt. Ltd.,*  
*39, Shree Centre, Kali Krishna Tagore Street,*  
*Kolkata-700007*
- (2) *Commissioner of Income Tax (Appeals),*  
*Kolkata-27,*  
*110, Shanti Pally, Aayakar Bhawan Poorva,*  
*Kolkata-700107*
- (3) *CIT - ;*
- (4) *The Departmental Representative;*
- (5) *Guard File*
- TRUE COPY*

*By order*

*Assistant Registrar,*  
*Income Tax Appellate Tribunal,*  
*Kolkata Benches, Kolkata*

***Laha/Sr. P.S.***