

IN THE INCOME TAX APPELLATE TRIBUNAL "A" BENCH", KOLKATA

**SHRI GEORGE MATHAN, JUDICIAL MEMBER
SHRI SANJAY AWASTHI, ACCOUNTANT MEMBER**

**I.T.A. No. 945/KOL/2025
(Assessment Year 2018-19)**

Ankit Agarwal,

Kalyaneswari Road, Barakar,
Kulti, Sarkuri Bardhaman, Barakar,
S.O. 713324, West Bengal
[PAN: AJLPA0024G]

..... **Appellant**

vs.

ITO, Ward 1(1), Asansol,

Aayakar Bhawan, Sen Ralieggh Rd.,
Opposite to Ramkrishna Mission Ashram,
Kanyapur, Asansol,
West Bengal - 713305

..... **Respondent**

Appearances by:

Assessee represented by : Shital Khemka, FCA
Department represented by : Raja Sengupta, CIT-DR

Date of concluding the hearing : 03.07.2025

Date of pronouncing the order : 09.07.2025

ORDER

PER SANJAY AWASTHI, ACCOUNTANT MEMBER

1. This appeal arises from the order u/s 250 of the Income Tax Act, 1961 (hereafter "the Act"), passed by the Ld. Principal Commissioner of Income Tax, Asansol (hereafter "the Ld. PCIT") vide order dated 27.02.2025. Through the impugned order, the Ld. PCIT as under:

"In view of the above facts, the Assessing Officer has passed the Assessment order which is not based on proper appreciation of facts and law. In view of the encompassing facts and circumstances of the case, the Assessing Officer is directed to add the entire purchase of Rs. 1,83,28,340/- in Returned Income under the relevant provisions of the income tax Act."

1.1 Aggrieved with this action, the assessee has approached the ITAT with the following grounds:

“1. That the Ld. Principal CIT erred in directing the Ld. A.O. to add back the entire cash deposits of Rs. 1,83,28,340/- as undisclosed income of the appellant without verifying the documents filed during 263 proceedings, even though the same were filed manually as well as online.

2. That the appellant craves leaves to add, alter or delete all or any of the grounds of appeal.”

2. The Ld. AR argued that the impugned order was non speaking to the extent that it was not readily visible as to why the order of Ld. AO was erroneous and prejudicial to the interests of revenue. This was specially so when the Ld. AO's order itself was passed under section 144 of the Act. The Ld. AR assailed the impugned order and also the action of Ld. AO in passing a high-pitched assessment order.

2.1 The Ld. DR relied on the order u/s 263 of the Act and stated that the assessee did not comply with any of the notices issued by the AO. The Ld. DR also stated that the Ld. PCIT had considered the assessee's submissions before giving the impugned directions.

3. We have carefully considered the entire factual matrix of the case and have also gone through the orders of authorities below. It is felt that the Ld. PCIT has paid scant regard to the submissions filed by the assessee and has given very swiping directions which purportedly would tax the entire amount of purchases. It is felt that the impugned order deserves to be modified to make it more focussed and reasonable. Accordingly, we direct that the portion from para 7.2 of the impugned order extracted (supra) deserves to be modified. The order of the Id. Pr. CIT, Asansol stands modified to the extent that the last paragraph i.e., para 7.2 at page 13 of the order shall be read as:

“in view of the above facts, the Assessing Officer has passed the Assessment Order which is not based on a proper appreciation of facts and law. In view of the encompassing facts and circumstances of the case, the Assessing Officer is directed to adjudicate the issue of the entire cash deposit of Rs. 1,83,28,340/- and bring to tax any income which may have been generated from the said transaction which has not been offered to tax. The assessee shall cooperate in the set aside proceedings.”

4. With the above modifications to the order of the Id. Pr. CIT, Asansol, the appeal of the assessee stands partly allowed.

Order pronounced on 09.07.2025

Sd/-
(George Mathan)
Judicial Member

Sd/-
(Sanjay Awasthi)
Accountant Member

Dated: 09.07.2025
AK, Sr. P.S.

Copy of the order forwarded to:

1. Ankit Agarwal
2. ITO, Ward 1(1), Asansol
3. CIT(A)
4. CIT
5. CIT(DR)

//True copy//

By order

Assistant Registrar, Kolkata Benches