

**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**“PATNA BENCH, PATNA**  
**VIRTUAL HEARING AT KOLKATA**

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

**I.T.A. No.17/Pat/2025**  
Assessment Year: 2018-19

**Waseem Alam.....Appellant**

Bhawanipur Kursi Barawa,  
Sikta, West Champaran,  
Bihar-845307.

**[PAN: ALOPA0369B]**

vs.

**ITO, NFAC, Delhi..... Respondent**

**Appearances by:**

Shri Sanjeev Kr. Anwar, Advocate, appeared on behalf of the appellant.

Shri Ashwani Kumar, Sr. DR, appeared on behalf of the Respondent.

Date of concluding the hearing : July 17, 2025

Date of pronouncing the order : July 22, 2025

**आदेश / ORDER**

**Per Sonjoy Sarma, Judicial Member:**

The present appeal has been preferred by the assessee against the order dated 08.11.2024 of 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’).

2. Brief Facts of the Case are that the assessee filed its return of income for the Assessment Year 2018-19 declaring total income of Rs.9,68,550. The return was processed under section 143(1) of the Act. Subsequently, the case was selected for limited scrutiny under the e-assessment scheme, with the specific issue of verification of large deduction claimed under Section 57 of the Act. Notice under section 143(2) and subsequently under section 142(1) was issued to the assessee. Although the assessee uploaded certain documents electronically in response, the details were found to be incomplete. The

ld A.O find that as per Schedule OS (Other Sources) of the return, the assessee had shown income of 264,68,234 under various heads:

Rs.30,00,000 from contract work, Rs.182000/- from dairy income, Rs.16,33,540 from transport income, Rs.16,50,000 from hostel rent and the assessee had claimed expenses of Rs.58,83,717 under Section 57 of the Act and offered the net income of Rs.5,84,517 under the head "Income from Other Sources." The assessee also prepared a Profit and Loss Account in respect of the auto fuel business, wherein it had shown business income of Rs.4,69,124. However, the claim of Rs.58,83,717 under Section 57 was not routed through the profit and loss account. The assessee also failed to provide a proper breakup or substantiation of the said expenses, as required under Section 57(ii) of the Act, which mandates that such expenditure should be laid out wholly and exclusively for the purpose of earning the income. In absence of sufficient documentary evidence, the Assessing Officer disallowed the entire deduction claimed under Section 57 amounting to Rs.58,83,717 and completed the assessment.

3. Aggrieved, the assessee preferred an appeal before the CIT(A), which was dismissed. The CIT(A) upheld the assessment order noting that the assessee had failed to substantiate its claim during the assessment proceedings.

4. Dissatisfied with the above order assessee is in appeal before this tribunal. At the time of hearing the learned counsel for the assessee submitted that the disallowance is unjustified as the expenses claimed under Section 57 were in fact incurred and were reflected in the books of accounts. However, due to non-availability of certain documents at the relevant point of time, the assessee was unable to furnish proper evidence before the Assessing Officer. The assessee now seeks one more opportunity to substantiate its claim by producing supporting documents.

5. On the other hand, the learned Departmental Representative supported the orders of the lower authorities but did not object to the matter being remanded back to the Assessing Officer for proper adjudication.

6. We have considered the rival submissions and perused the materials available on record. It is noted that the claim of deduction of Rs.58,83,717 under Section 57 was disallowed solely on the ground that the assessee failed to furnish necessary evidence to establish that the expenses were incurred wholly and exclusively for the purpose of earning such income. It is also evident that the assessee had made partial compliance with the notices issued under Section 142(1) and has now pleaded for an opportunity to produce the relevant documents. In the interest of justice and fair play, we are of the view that one more opportunity should be granted to the assessee to substantiate its claim of deduction under Section 57 by producing relevant documentary evidence before the Assessing Officer. In view of the above, we set aside the orders of the lower authorities and restore the matter to the file of the Assessing Officer with the direction to re-examine the issue afresh after giving a reasonable opportunity of being heard to the assessee. The assessee is also directed to cooperate with the proceedings and produce all relevant supporting documents before the Assessing Officer.

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

***Kolkata, the 22<sup>nd</sup> July, 2025.***

Sd/-

**[Rakesh Mishra]**

लेखा सदस्य/Accountant Member

Sd/-

**[Sonjoy Sarma]**

न्यायिक सदस्य/Judicial Member

Dated: 22.07.2025.

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