

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

Before Shri Duvvuru RL Reddy, Vice-President (KZ)

**I.T.A. No. 49/KOL/2025
Assessment Year: 2017-2018**

***Mukherjee Enterprise,.....Appellant
123/2, Netaji Subhas Road,
Howrah-711101
[PAN:AARFM9402B]***

-Vs.-

***Assistant Commissioner of Income Tax,.....Respondent
Circle-46, Kolkata,
3, Government Place (West),
Kolkata-700001***

Appearances by:

Shri Rip Das, A.R., appeared on behalf of the assessee

*Shri Kallol Mistry, JCIT, Sr. D.R., appeared on behalf of
the Revenue*

Date of concluding the hearing: June 23, 2025

Date of pronouncing the order: August 27, 2025

O R D E R

The present appeal is directed at the instance of assessee against the order of Id. Addl./Joint Commissioner of Income Tax (Appeals)-1, Noida dated 27.11.2024 passed for Assessment Year 2017-2018.

2. Facts in brief are that the assessee is a partnership firm, which is engaged in trading of electrical goods and filed its return of income for the AY 2017-18 on 21.12.2017 disclosing total income of Rs.12,38,050/-. The case was selected for scrutiny to verify the assessee's explanation that the sources for cash receipts are from third parties. Notice under section 143(2) of the Act was issued on 14.08.2018 followed by notices under section 142(1). In response to the notices issued, the assessee mailed the information as called for. During the course of assessment proceedings, the assessee was asked to explain the huge cash deposits made during the demonetization period for which it was stated that the firm realized moneys from its debtors and submitted the complete list of sundry debtors totalling to 199 people accounting for the amount of Rs.1,79,50,242/- deposited in the bank by the assessee during demonetization period. The assessee was asked to furnish the complete address, PAN, confirmation letters and documentary evidence to show that the debtors had actually made the payments to the assessee as claimed by it in the online response filed after demonetization. The assessee furnished complete list of debtors from whom moneys were realized during demonetization period with PAN. On verification of the list provided by the assessee, it was observed that some of the names in the list furnished by the assessee did not figure in the list of sundry debtors furnished during the course of assessment proceedings. The assessee was asked to furnish 12 such names whose ledger accounts and bills issued to them. But the assessee did not provide PANs. In absence of details from the

assessee, the amounts claimed to have been received were treated as unexplained cash credit under section 68 of the Act in the hands of assessee and added to the total income by the ld. Assessing Officer u/s 115BBE of the Act. During the course of assessment proceedings, the assessee was asked to furnish information pertaining to various heads of expenditure and on verification, it was found that the expenses incurred are general in nature and not incurred solely and exclusively for the purpose of business. Therefore, the ld. Assessing Officer disallowed 20% of the expenditure of Rs.2,07,829/-, which comes to Rs.41,566/- and added to the total income of the assessee. Finally, ld. Assessing Officer determined the total taxable income of the assessee at Rs.16,96,044/-.

3. On being aggrieved, the assessee preferred an appeal before the ld. CIT(Appeals). The ld. Addl./JCIT(Appeals) partly allowed the appeal of the assessee. Firstly the ld. Addl./JCIT(Appeals) confirmed the addition of Rs.4,16,428/- as made by the ld. Assessing Officer saying that in lack of any satisfactory explanation from the side of assessee regarding eight such names of sundry debtors, whose ledger accounts and bills issued to them, but the assessee did not provide PANs. Secondly, Ld. Addl./JCIT(Appeals) deleted the addition of Rs.41,566/- being 20% of the delivery charges and generator expenses amounting to Rs.2,07,829/- as it was incurred to conduct the business.

4. On being aggrieved, the assessee preferred an appeal before the Tribunal. It was the submission of the ld. Counsel for the

assessee that the assessee was not in a position to file all the confirmation letters before the ld. Assessing Officer. Only eight confirmations were filed. Now the assessee obtained the confirmation letters and filed before the Tribunal. Therefore, he pleaded to remit the matter back to the file of ld. Assessing Officer to examine the confirmation letters filed by the assessee.

5. On the other hand, ld. Departmental Representative argued that the assessee was provided sufficient opportunities but the assessee has not filed all the confirmation letters except eight. Therefore, the ld. Assessing Officer as well as ld. Addl./JCIT(Appeals) passed the orders. He pleaded to confirm the orders passed by the revenue authorities.

6. I have heard both the sides and perused the material available on record. It is an admitted fact that the assessee has not filed all the confirmed letters before the ld. Assessing Officer and now before me, he filed the confirmation letters, which needs verification/examination by the ld. Assessing Officer. Therefore, in the interest of justice, I set aside the orders passed by the lower authorities and remit the matter back to the file of ld. Assessing Officer to examine the documents afresh after providing one more opportunity of being heard to the assessee. At the same breath, I also hereby caution the assessee to promptly co-operate with the proceedings before the Ld. Assessing Officer failing which the Ld. Assessing Officer shall be at liberty to pass appropriate order in accordance with law and merits of the case, based on the materials

available on the record. Thus, the grounds raised by the assessee in the appeal are allowed for statistical purposes.

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

Order pronounced in the open Court on 27/08/2025.

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

Kolkata, the 27th day of August, 2025

*Copies to : (1) Mukherjee Enterprise,
123/2, Netaji Subhas Road,
Howrah-711101*

*(2) Assistant Commissioner of Income Tax,
Circle-46, Kolkata,
3, Government Place (West),
Kolkata-700001*

*(3) Addl/JCIT(A)-1, Noida;
(4) CIT - , Kolkata;
(5) The Departmental Representative;
(6) Guard File*

TRUE COPY

By order

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

Laha/Sr. P.S.