

**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**'D' BENCH KOLKATA**

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

**I.T.A. No.2155/Kol/2025**  
Assessment Year: 2018-19

**Prasanta Kumar Das .....Appellant**

63/1/1, Nayalankar Thakur Road,  
Barrackpur-1, North 24 Parganas, Bhatpara S.O  
W.B. 743123..

**[PAN: AGHPD2783J]**

vs.

**ITO, Ward-37(1), Kolkata..... Respondent**

**Appearances by:**

Shri K. K. Laha, Advocate, appeared on behalf of the appellant.

Shri S. B. Chakraborty, Addl. CIT, Sr. DR, appeared on behalf of the Respondent.

Date of concluding the hearing : November 24, 2025

Date of pronouncing the order : November 25, 2025

**आदेश / ORDER**

**Per Sonjoy Sarma, Judicial Member:**

This appeal filed by the assessee is directed against the order of the National Faceless Appeal Centre (hereinafter referred to as "Id. CIT(A)") dated 26.08.2025 passed under Section 250 of the Income-tax Act, 1961 (hereinafter referred to as the "Act").

2. Brief facts of the Case are that the assessee filed its return of income for A.Y. 2018-19 declaring total income of ₹22,60,000. The case was selected for limited scrutiny for the specific reasons of investment in immovable property and duty drawback. Accordingly notices under sections 143(2) and 142(1) of the Act were issued calling for information. The Assessing Officer (AO) completed the assessment under section 143(3) on 21.04.2021, determining total income at

₹51,10,000 after making an addition of ₹28,50,000 under section 69C of the Act treating alleged unexplained expenditure.

3. Against the order of the Assessing Officer, the assessee preferred an appeal before the CIT(A). However, the CIT(A) dismissed the appeal ex parte due to the assessee's non-appearance and sustained the order of the Assessing Officer without examining the merits of the case.

4. Dissatisfied with the order of the CIT(A) assessee is in appeal before this tribunal. At the time of the hearing, the Ld. AR contends that the addition under section 69C of the Act of ₹28,50,000 is beyond the scope of limited scrutiny, as the selected issues were only (i) investment in immovable property, and (ii) duty drawback. The source of cash payment, which was the basis of the AO's addition, was not part of the limited scrutiny mandate, and therefore making such an addition without necessary conversion to complete scrutiny is bad in law and wholly arbitrary. The Ld. CIT(A) disposed of the appeal ex parte, sustaining the AO's order without proper examination of facts and submissions.

5. We note that the assessee's case was selected for limited scrutiny. CBDT Instructions strictly mandate that in limited scrutiny cases, the AO can examine only the issues for which the case was flagged unless proper approval for conversion to complete scrutiny is obtained. In the present case the AO made an addition under section 69C of the Act and the CIT(A) passed the order ex parte merely affirming the AO's findings without verifying the assessee's claim that the addition exceeded the scope of limited scrutiny and the appellate authority is duty-bound to examine issues independently. In the above circumstances, in the interest of justice, we consider it appropriate to restore the matter to

the file of the AO for fresh adjudication after giving the assessee a reasonable opportunity of being heard. Accordingly, the issue relating to the addition of ₹28,50,000 under section 69C of the Act is restored to the file of the AO with the directions to pass a speaking order after considering all submissions and evidence furnished by the assessee and the assessee shall cooperate and furnish necessary details.

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

***Kolkata, the 25<sup>th</sup> November, 2025.***

Sd/-

**[Rakesh Mishra]**

लेखा सदस्य/Accountant Member

Sd/-

**[Sonjoy Sarma]**

न्यायिक सदस्य/Judicial Member

Dated: 25.11.2025.

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