

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

Before

**SHRI SONJOY SARMA, JUDICIAL MEMBER
&
SHRI RAKESH MISHRA, ACCOUNTANT MEMBER**

ITA No.: 1317/KOL/2025

Assessment Year: 2018-19

| | | |
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| Mala Singh (Appellant) | Vs. | Income Tax Officer, Kolkata (Respondent) |
| PAN: BPBPS2086D | | |

Appearances:

Assessee represented by : Sabya Sachi, Staff.

Department represented by : P.P. Ranjan, Sr. DR.

Date of concluding the hearing : 20-November-2025

Date of pronouncing the order : 28-January-2026

ORDER

PER RAKESH MISHRA, ACCOUNTANT MEMBER:

This appeal filed by the assessee is against the order of the Commissioner of Income Tax (Appeals)-NFAC, Delhi [hereinafter referred to as Ld. 'CIT(A)'] passed u/s 250 of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') for AY 2018-19 dated 24.07.2024. The assessee sought adjournment which was rejected as there was no justification for the same.

1.1. The Registry has informed that the appeal is barred by limitation by 260 days. The assessee has filed a petition for condonation of delay explaining the reasons that the assessee faced severe financial constraints due to the addition of ₹1.28 Crore u/s 69C of the Act which disrupted her ability to arrange funds for legal expenses. In addition to that the assessee was suffering from illness and also took time to obtain certified copies of the appeal order and there was failure of the tax consultant to file the appeal within the stipulated time limit. After

perusing the same, we are satisfied that the assessee had a reasonable and sufficient cause and was prevented from filing the instant appeal within the statutory time limit. We, therefore, condone the delay and admit the appeal for adjudication.

2. The assessee is in appeal before the Tribunal raising the following grounds of appeal:

“1. Erroneous Assessment Order:

The order passed by the AO under Section 143(3) r/w Section 144B is arbitrary, based on conjectures, and violates principles of natural justice.

2. Unjustified Addition under Section 69C:

The addition of Rs. 1,28,84,063/- as unexplained expenditure is unsustainable as:

The Appellant provided complete purchase records and GST returns.

The AO relied on an unverified VU report without allowing cross-examination of the supplier.

The discrepancy arose due to incorrect reporting by M/s D.J. Enterprises, which the Appellant was not allowed to explain.

3. Non-Application of Mind by AO:

The AO failed to reconcile the Appellant's books with the VU report and ignored submitted evidence, including ledger accounts and payment details.

4. Baseless Addition of Gross Profit:

The addition of Rs. 51,536/- as Gross Profit on alleged out-of-books purchases is speculative and lacks any evidence.

5. Violation of Natural Justice:

The CIT(A) dismissed the appeal without considering the Appellant's submissions or granting a hearing, despite compliance with notices.

6. Relief Sought:

The impugned additions of Rs. 1,28,84,063/- and Rs. 51,536/- be deleted.

The assessment order and appellate order be quashed as illegal and void.

7. General Ground:

The Appellant reserves the right to add, amend, or alter any grounds of appeal.”

3. Brief facts of the case are that the assessee is the proprietor of M/s. Shiv Shakti Enterprise which is engaged in the business of trading of iron and steel. The assessee had filed her return of income for the AY 2018-19 on 28.12.2018 declaring total income of ₹15,73,144/-. The



case was selected for scrutiny under Computer Assisted Scrutiny Selection (in short 'CASS') to verify the purchases; accordingly, notices u/s 143(2) and 142(1) of the Act were issued to the assessee. The Sale amount furnished by the supplier did not match with the purchase amount shown by the assessee. There was a difference of ₹1,28,84,063/- in the purchase amount declared by the assessee. Therefore, the same was treated as an unexplained expenditure u/s 69C of the Act and added to the total income of the assessee. Further, a sum of ₹51,536/- being Gross Profit earned on out of books purchases of ₹1,28,84,063/- was also added to the total income of the assessee and the Assessing Officer (hereinafter referred to as Ld. 'AO') assessed the total income of the assessee at ₹1,43,54,900/- u/s 143(3) read with section 144B of the Act. Aggrieved with the assessment order, the assessee filed an appeal before the Ld. CIT(A) who issued three notices for hearing but the same were not complied with by the assessee. The Ld. CIT(A) considered the issues and examined the facts of the case and confirmed the additions made by the Ld. AO and accordingly, dismissed the appeal of the assessee.

4. Aggrieved with the order of the Ld. CIT(A), the assessee has filed the appeal before the Tribunal.

5. Rival contentions were heard and the submissions made have been examined. The assessee requested for the deletion of addition made u/s 69C of the Act and also of that towards the gross profit and to hold that the impugned assessment order dated 21.04.2021 is invalid for breach of principles of natural justice and procedural requirement. It was requested that the matter may be restored to the file of the Ld. AO for *de novo* assessment after furnishing the Verification Unit (in



short 'VU') report and allowing cross examination. It was also requested to admit certain additional evidences, which could not be filed before the Ld. AO.

6. We have considered the facts of the case, the submissions made and the documents filed. Since the assessee was not confronted with the findings of the VU, the Bench was of the view that in view of the principles of natural justice, another opportunity of being heard may be provided to the assessee as the assessee has also requested that additional documents being filed before us may be admitted, which go to the root of the matter. Hence, after examining the facts of the case, we deem it appropriate to set aside the order of the Ld. CIT(A) and remit the matter back to the Ld. AO for making the assessment *de novo*. Needless to say, the assessee shall be given a reasonable opportunity of being heard to make any further submission she wants to make in support of the grounds of appeal and shall not seek unnecessary adjournments. Accordingly, the grounds taken by the assessee in her appeal are partly allowed for statistical purposes.

7. In the result, the appeal filed by the assessee is partly allowed for statistical purposes.

Order pronounced in the open Court on 28th January, 2026.

Sd/-

[Sonjoy Sarma]
Judicial Member

Sd/-

[Rakesh Mishra]
Accountant Member

Dated: 28.01.2026

Bidhan (Sr. P.S.)



Copy of the order forwarded to:

1. **Mala Singh, 9, Naskar Para Road, Liluah, Howrah, West Bengal, 711107.**
2. **Income Tax Officer, Kolkata.**
3. CIT(A)-NFAC, Delhi.
4. CIT-
5. CIT(DR), Kolkata Benches, Kolkata.
6. Guard File.

// True copy //

By order

Assistant Registrar
ITAT, Kolkata Benches
Kolkata