

**IN THE INCOME TAX APPELLATE TRIBUNAL  
KOLKATA 'SMC' BENCH, KOLKATA  
[Before Shri P.M. Jagtap, Hon'ble Accountant Member]**

**I.T.A. No. 1714/Kol/2017  
Assessment Year: 2006-07**

**M/s. Wideangle Financial Services Ltd.....Appellant**  
**412 & 418, Marshall House**  
**33/1, Netaji Subhash Road**  
**Kolkata - 700 001**  
**[PAN : AAACW 2477 Q]**

**I.T.O. Ward-6(4), Kolkata..... Respondent**  
**Kolkata**

**Appearances by:**

*Shri Ashish Rastogi, FCA, appeared on behalf of the assessee.*

*Shri A.K. Bandopadhyay, Addl. CIT, DR appearing on behalf of the Revenue.*

Date of concluding the hearing : February 15<sup>th</sup>, 2017

Date of pronouncing the order : February 21<sup>st</sup>, 2018

**O R D E R**

**Per P.M. Jagtap :-**

This appeal filed by the assessee is directed against the order of the Id. Commissioner of Income Tax (Appeals)-2, Kolkata, dt. 05/05/2017, (hereinafter the 'Id. CIT (A)'), passed u/s 250 of the Income Tax Act, 1961 (the 'Act').

2. The assessee in the present case is an investment company which filed its return of income for the year under consideration on 17/10/2006 declaring its total income at Nil. In the assessment completed u/s 147/143(3) of the Act vide an order dt. 8<sup>th</sup> November, 2010, additions *interalia* of Rs.7,00,000/- & Rs.1,06,467/- were made by the Assessing Officer, on account of OTC Exchange Expenses written off by treating the same as capital expenditure and disallowance u/s 14A respectively, while computing the income of the assessee company under the normal provisions of the Act as well as the book profit u/s 115JB of the Act.

3. Against the order passed by the Assessing Officer u/s 147/143(3), an appeal was preferred by the assessee before the Id. CIT(A) challenging the validity of the said assessment as well as disputing both the aforesaid additions made to its total income. The Id. CIT(A), however, found no merit in the appeal of the assessee

and dismissed the same after recording the following observations in his impugned order.

*"I have considered the submissions of the authorized representative of the appellant as well as the assessment order framed in the light- of the materials available on record before the assessing officer during the assessment proceedings. I have considered the issue and agree with the Assessing Officer, who has already discussed the issue in details while passing the order in the matter. The assessment was completed u/s 143 (1) so the return of income itself has constitutes information for reopening of the case. As far addition is concerned, the AO is correctly disallowed the amount and made addition. In view of above, the order of the AO is upheld. **These grounds of appeal are dismissed.**"*

4. Aggrieved by the order of the Id. CIT(A), the assessee has filed this appeal before the Tribunal on the following grounds:-

*"1. That on the facts and in the circumstances of the case the order passed by the Ld. Commissioner of Income Tax (Appeals) -2 passed on 3rd May 2017 is bad in law because it is not a speaking order as he did not discussed the issues raised in Grounds of Appeal and agreed with the Ld. Assessing officer summarily.*

*2. That the Ld. Commissioner of Income Tax (Appeals)-2 erred in not considering the Additional Ground of Appeal submitted at his office on 16th May 2016 relating to disallowances made to Book Profit U/S 115JB by the Ld. Assessing Officer which were beyond the scope of the said section.*

*3. That on the facts and circumstances of the case, the Ld. Assessing Officer was wrong in initiating proceeding u/s 147 of the Income Tax Act, 1961 and completing assessment, thereafter which is illegal and void ab-initio.*

*4. That the Ld. Assessing Officer erred in not allowing 'OTC Exchange Expenses' of Rs. 7,00,000/- written off during the year.*

*5. That the learned Assessing Officer was not justified in disallowing and thereby adding back Rs. 1,06,467/- u/s 14A of the Income Tax Act, 1961 by applying Rule 8D which is applicable from Assessment Year 2007-08."*

5. I have heard the arguments of both the sides and also perused the relevant material on record. The Id. Counsel for the assessee has not pressed Ground No. 1 & 3, raised in this appeal of the assessee. The same are accordingly dismissed as not pressed. As regards the issues involved in Ground No. 2, 4 & 5, the limited contention raised by the Id. Counsel for the assessee is

that a detailed written submission was filed by the assessee before the Id. CIT(A) on 19/05/2016, but the same has not been taken into consideration by the Id. CIT(A) while deciding the relevant issues vide his impugned order. He has also submitted that one additional ground was also raised by the assessee during the course of appellate proceedings before the Id. CIT(A) and an application dt. 14/05/2016, seeking admission of the same was also filed, which the Id. CIT(A) has failed to take cognizance of. The Id. Counsel for the assessee has also placed on record a copy of the said application dt. 14/05/2016 as well as the copy of the written submission dt. 19/05/2016 and a perusal of the same clearly shows that the Id. CIT(A) has not only failed to dispose off the application of the assessee for admission of additional ground but had also failed to take into consideration the elaborate submissions made by the assessee in writing, in support of its case on the issues raised in its appeal. Although a passing reference has been made by the Id. CIT(A) in his impugned order to the written submissions filed by the assessee, he has neither discussed nor considered the contentions raised on behalf of the assessee company on merit of the issues raised in its appeal. As per sub-section (6) of Section 250 of the Act, the order of Id. CIT(A) disposing off the appeal has to be in writing stating therein the points for determination, decision thereon and the reason for the decision. I, therefore, set aside the impugned order passed by the Id. CIT(A) and remit the matter back to him with a direction to decide the issues raised in the appeal of the assessee on merit, after taking into consideration written submission filed by the assessee, in accordance with law. The Id. CIT(A) is also directed to dispose off the application of the assessee dt. 14/05/2016 for admission of the additional ground.

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

***Kolkata, the 21<sup>st</sup> day of February, 2018.***

***Sd/-***  
**[P.M. Jagtap]**  
Accountant Member

Dated :21.02.2018  
{SC SPS}

*Copy of the order forwarded to:*

**1. M/s. Wideangle Financial Services Ltd  
412 & 418, Marshall House  
33/1, Netaji Subhash Road  
Kolkata – 700 001**

**2. I.T.O. Ward-6(4), Kolkata  
Kolkata**

3. CIT(A)-

4. CIT- ,

5. CIT(DR), Kolkata Benches, Kolkata.

True copy

By order

Senior Private Secretary  
Head of Office/ D.D.O. ITAT, Kolkata Benches