

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH "F" NEW DELHI**

**BEFORE SHRI G.S. PANNU, VICE PRESIDENT
&
SHRI AMIT SHUKLA, JUDICIAL MEMBER**

I.T.A. No.298/DEL/2017
Assessment Year 2012-13

Ravindra Sadh, C-140, East of Kailash, New Delhi.	vs.	ITO, Ward-30(5), New Delhi.
TAN/PAN: AAZPS 5029C		
(Appellant)		(Respondent)

Appellant by:	Ms. Bharti Sharma, CA & Shri Dinesh Sharma, Adv.		
Respondent by:	Shri Surender Pal, Sr.D.R.		
Date of hearing:	22	10	2019
Date of pronouncement:	17	01	2020

ORDER

PER AMIT SHUKLA, J.M.:

The aforesaid appeal has been filed by the assessee against the impugned order dated 31.03.2015, passed by Commissioner of Income Tax (Appeals)-X, New Delhi for the quantum of assessment passed u/s.143(3) for the Assessment Year 2012-13. In the grounds of appeal, the assessee has challenged the disallowance of foreign travelling expenses of Rs.10,89,106/- and addition of Rs.1,13,82,721/- on account of unsecured loan.

2. The facts in brief qua the issue involved are that assessee is engaged in the business of export of garments. The Assessing Officer noted that assessee has claimed foreign

travelling expenses of Rs.10,89,106/- and for the purpose of business for export of garments and has undertaken foreign travel to meet its customers and do market survey, etc. The Assessing Officer noted that assessee has only submitted bills and vouchers relating to air ticket to the extent of Rs.1,15,400/- only and some cash memo relating to exchange of foreign currency. As per the Assessing Officer the assessee could not submit any proof of meeting/conference etc. and accordingly, he disallowed entire expenditure of Rs.10,89,106/-. He further noted that assessee had shown unsecured loan amounting to Rs.1,13,82,721/- for which assessee could not submit any documentary evidences and accordingly same was added u/s.68.

3. Ld. CIT (A) first of all noted that various notices were sent to the assessee during the appellate proceedings wherein most of the notices remained uncomplied with. The details of which have been tabulated by him at pages 3 and 4 of the appellate order. Accordingly, he came to the conclusion that assessee has nothing to corroborate his claim with documentary evidences in spite of sufficient opportunities. Accordingly, he has confirmed both the additions made by the Assessing Officer.

4. Before us, ld. counsel has submitted that, in so far as disallowance of foreign travelling is concerned, assessee has submitted the details of foreign travelling along with details of expenditure which was filed before the Assessing Officer

vide letter dated 03.02.2015 along with party-wise foreign travelling allowance. He has stated that foreign visit has been done to interact with the customer and to books orders.

5. On the issue of unsecured loan, he submitted that assessee has received sum of Rs.92,12,509/- from 23 parties and had paid interest @ 9.6 per annum from various entities engaged in similar business of exports and all the loans have been repaid back in the subsequent years and also filed a detail of loan taken, interest paid thereon and the dates of repayment etc. He further submitted that assessee has engaged Chartered Accountant to represent the case before the Assessing Officer and has no knowledge of income tax proceedings. However from the assessment order, he came to know that it was almost an ex-parte order and no proper representation was made and since assessee was travelling for most of the time, therefore, the notices issued by the Ld. CIT (A) could not be applied with. In support of his contention, he has also filed that the assessee was not available in most of the dates as he was travelling abroad. Ld. Counsel has filed the details of travelling schedule of the assessee along with the copy of passport and Visa stamp that he genuinely could not receive any notices. He has filed additional evidences on both the issues separately.

6. Ld. DR, on the other hand, strongly relied upon the order of the Assessing Officer and Ld. CIT (A) and submitted that despite so many opportunity, assessee could not

substantiate his case, and therefore, addition made by the Assessing Officer should be sustained.

7. After hearing both the parties and on perusal of the relevant findings given in the impugned orders, we find that on both the stages, assessee could not furnish proper details and documents to substantiate the foreign travelling expenses as well as unsecured loan received from various parties. Ld. counsel has given a very detailed reasoning that how assessee could not receive the notices sent from office of Ld. CIT (A). He was totally dependent upon the Chartered Accountant who either could not represent the case properly or did not receive any notice of hearing. In the interest of justice, we feel that matter should be restored back to the file of the Assessing Officer, to examine all the additional evidences filed before us on both the issues and decide the issue afresh in accordance with law after giving due and effective opportunity of hearing to the assessee. The assessee shall ensure that on the date of hearing given by the Assessing Officer, he should make due compliance. Accordingly, the grounds raised before us are set aside to the file of the Assessing Officer.

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

Order pronounced in the open Court on 17th January, 2020.

Sd/-
[G.S. PANNU]
VICE PRESIDENT

DATED: 17th January, 2020

Sd/-
[AMIT SHUKLA]
JUDICIAL MEMBER