

**IN THE INCOME TAX APPELLATE TRIBUNAL
“B”BENCH: BANGALORE**

**BEFORE SHRI B. R. BASKARAN, ACCOUNTANT MEMBER
AND
SMT. BEENA PILLAI, JUDICIAL MEMBER**

ITA No.340/Bang/2018
Assessment Year: 2012 – 13

Deputy Commissioner of Income-tax Circle-6(1)(1) Bengaluru	Vs.	M/s. SI3D Systems Pvt. Ltd. No.15, Krishik Sarvodaya Foundation Gold Course Road Kodihally Bangalore 560 008 PAN NO : AAPCS5701G
APPELLANT		RESPONDENT

Appellant by	:	Shri Priyadarshi Mishra, D.R.
Respondent by	:	N O N E

Date of Hearing	:	01.09.2021
Date of Pronouncement	:	01.09.2021

O R D E R

PERB.R. BASKARAN, ACCOUNTANT MEMBER:

The revenue has filed this appeal challenging the order dated 28.9.2017 passed by Ld. CIT(A) 6, Bengaluru and it relates to assessment year 2012-13. The revenue is aggrieved by the decision of Ld. CIT(A) in deleting the disallowance of depreciation claimed by the assessee.

2. None appeared on behalf of the assessee even though, the notice of hearing was sent to the assessee on several occasions. Hence, we proceed to dispose of the appeal ex-parte without hearing the assessee.

3. The appeal filed by the revenue is barred by limitation by 7 days. The revenue has filed a petition requesting to the bench to condone the delay. Having regard to the submissions made on the petition, we are of the view that there is reasonable cause for the delay and accordingly condone it.

4. The Ld. D.R. submitted that the Assessing Officer disallowed the depreciation claimed on the reasoning that the assessee has not commenced commercial production during the year under consideration. However, the Ld. CIT(A) has allowed the claim by passing a cryptic order, observing that the balance sheet as on 31.3.2012 discloses an inventory amount of Rs.2,52,82,537/-. The Ld. D.R. submitted that the Ld. CIT(A) has not given any finding as to whether the assessee has commenced commercial production or not. Hence his order lacks proper reasoning. Accordingly, he prayed that the matter may be restored to the file of Ld. CIT(A) for examining the issue afresh.

5. We find merit in the submission of Ld. D.R. Admittedly, the Ld CIT(A) has passed a cryptic order and has allowed the appeal of the assessee before him only for the reason that there was an inventory of Rs.2,52,82,537/-. The Ld. CIT(A) has not addressed the issue whether the assessee has commenced commercial production during the year or not. In the absence of finding on the above said issue, in our view, it would be difficult to allow the claim of the assessee, meaning thereby, the Ld. CIT(A) has not given proper reasons to allow the claim of the assessee. Accordingly, we set aside the order passed by him and restore this issue to his file with the direction to pass a reasoned order after examining the

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facts relating to the issue and after affording adequate opportunity of being heard to the assessee.

6. In the result, the appeal filed by the revenue is treated as allowed for statistical purposes.

Order pronounced in the open court on 1st Sept, 2021

Sd/-
(Beena Pillai)
Judicial Member

Sd/-
(B.R. Baskaran)
Accountant Member

Bangalore,
Dated 1st Sept, 2021.
VG/SPS

Copy to:

1. The Applicant
2. The Respondent
3. The CIT
4. The CIT(A)
5. The DR, ITAT, Bangalore.
6. Guard file

By order

Asst. Registrar,
ITAT, Bangalore.