

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

**BEFORE SHRI B. R. BASKARAN, ACCOUNTANT MEMBER**

ITA No.750/Bang/2020
Assessment Year: 2007-08

M/s. Dot I Network Pvt. Ltd. Door No.10-4-32E, Famous Commercial Complex Near City Bus Stand Udupi 576 102  <b>PAN NO :AADCD0311R</b>	<b>Vs.</b>	ITO Ward -1 Udupi
<b>APPELLANT</b>		<b>RESPONDENT</b>

<b>Appellant by</b>	:	Smt. Sheetal Borkar, A.R.
<b>Respondent by</b>	:	Shri Ganesh R. Ghale, Standing Counsel for Dept.

<b>Date of Hearing</b>	:	01.04.2022
<b>Date of Pronouncement</b>	:	01.04.2022

**O R D E R**

**PER B.R. BASKARAN, ACCOUNTANT MEMBER:**

The assessee has filed this appeal challenging the order dated 22.5.2020 passed by Ld. CIT(A), Manguluru and it relates to the assessment year 2007-08.

2. This appeal was originally disposed of on 17.2.2022 by the Tribunal ex-parte, without the presence of the assessee. Subsequently, the assessee moved a miscellaneous application seeking recall of the order. Accordingly, the above said order dated 17.2.2022 was recalled by the Tribunal, vide its order dated 01-04-2022 passed in MP No.21/Bang/2022. After recall of the order the

appeal was heard on merits on the very same day with the concurrence of both the parties.

3. The grounds of appeal filed by the assessee relate to the following 3 issues:-

- a) Addition of advance from Directors – Rs.2,77,566/-.
- b) Addition Sundry creditors – Rs.6,57,336/-\*\*
- c) Addition of advance received from Director – Rs.1,00,000/-

(\*\* Addition confirmed by Ld CIT(A) was Rs.6,51,186/- only. But the assessee has mentioned the figure of Rs.6,57,336/- in the grounds of appeal).

4. I heard the parties and perused the record. The assessee is engaged in the business of trading in computers. Before formation of the present assessee company, the business was carried on by a partnership firm by name “Dot Infotech”. The business was continued by the partnership firm up to 31.10.2006. From 1.11.2006 onwards, the business of partnership form was taken over by the assessee company herein, along with assets and liabilities. The A.O. assessed the above said amounts as income of the assessee, since the assessee failed to furnish details in support of the above said cash credits. Before Ld. CIT(A), the assessee filed certain additional documents and hence, the Ld. CIT(A) called for a remand report from the A.O. However, the assessee did not respond to the A.O. in the remand proceedings and hence, the A.O. could not furnish any credible remand report. The Ld. CIT(A) granted relief to the extent of Rs.6,150/- in respect of addition of sundry creditors and confirmed the remaining balance and also other 2 additions. Aggrieved, the assessee has filed this appeal before us.

5. The Ld. A.R. submitted that the impugned additions are opening balances and hence the A.O. was not justified in making these additions. She submitted that the assessee could not furnish the details before the A.O. during the course of assessment proceedings as well as during the course of remand proceedings for the reasons beyond its control. Accordingly, she prayed that the assessee may be provided with an opportunity to present the details and explanations before the A.O.

6. I heard Ld. D.R. and perused the record. Having regard to the submissions made by the Ld. A.R., in the interest of natural justice, I am of the view that the assessee may be provided with one more opportunity to present the details relating to the above said additions made by the A.O. Accordingly, I set aside the order passed by Ld. CIT(A) in so far as additions confirmed by him and restore all the issues to the file of the A.O. for examining them afresh by duly considering information and explanations that may be furnished by the assessee. I also direct the assessee to fully cooperate with the A.O. for expeditious completion of the assessment. After hearing the assessee, the A.O. may take appropriate decision in accordance with law.

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

Order pronounced in the open court on 1<sup>st</sup> Apr, 2022

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

Bangalore,  
Dated 1<sup>st</sup> Apr, 2022.  
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.**