

**IN THE INCOME TAX APPELLATE TRIBUNAL
(DELHI BENCH: 'F': NEW DELHI)**

**BEFORE SHRI N.K. BILLAIYA, ACCOUNTANT MEMBER
AND
MS. ASTHA CHANDRA, JUDICIAL MEMBER**

**ITA No:- 184/Del/2022
(Assessment Year: 2014-15)**

Western Drilling contractors Pvt. Ltd., Plot No. 1A, Institutional Area, Setor-16A, Noida, Uttar Pradesh.	Vs.	ITO, Ward- 3(5), Aayakar Bhawan Sector 24, Noida, Uttar Pradesh.
PAN No: AAAPW5961A		
APPELLANT		RESPONDENT

Assessee by : Shri K M Gupta, Adv. and
Ms. Shruti Khimta, AR
Revenue by : Shri Vivek Vardhan, Sr. DR

Date of Hearing : 21.09.2023
Date of Pronouncement : 21.09.2023

ORDER

PER N.K. BILLAIYA, AM

This appeal by the assessee is preferred against the order of the CIT(A) Noida-1, dated 07.05.2018 pertaining to AY 2014-15.

2. The grievance of the assessee reads as under:

"1. That on the facts and in the circumstances of the case and in law, the order passed by the Ld. CIT(A) under section 250 of the Act is bad in law, incomplete, cryptic, laconic, against the equity and fair play and against the doctrine of principles of natural justice and is liable to be quashed for the following reasons:

a) That on the facts and in the circumstances of the case and in law, the Ld. CTT(A) grossly erred in passing the order in utter haste that too without providing reasonable opportunity of being heard to the Appellant.

b) That on the facts and in the circumstances of the case and in law, the Ld. CTT(A) erred in passing a non-speaking order.

c) That in law, the Ld. CIT(A) erred in issuing an unsigned copy of the order.

2. That on the facts and in the circumstances of the case and in law, the Ld. CIT(A)/ Ld. AO erred in treating interest income of Rs. 92,92,441 earned on fixed deposits placed as margin money with Bank for issuance of bank guarantee for oil blocks, as "Income from Other Sources" on the ground that margin money placed with the bank for issuance of guarantees is not a pre- condition for set up of business of the Appellant.

3. On the facts, in law and in circumstances of the case, the Ld. CIT(A)/ Ld. AO erred in holding that fixed deposits placed as margin money with Bank for issuance of bank guarantee could not be held to be intrinsically connected with the business of the Appellant.

4. Without prejudice, on the facts, in law and in circumstances of the case, the Ld. CIT(A)/ Ld. AO erred in not allowing deduction of proportionate interest expense of Rs. 1,38,25.302 incurred directly and exclusively towards earning aforesaid interest income.

5. That the Ld. AO erred in initiating penalty under section 271(1)(c) of the Act.

The grounds of appeal taken are without prejudice to each other.

The Appellant craves leave to add, alter, amend, or vary the above grounds of appeal at or before the time of hearing."

3. There is a delay in filing the appeal. We have carefully considered the application for condonation of delay in filing of the appeal. Noting the contents, the delay is condoned.

4. It would be pertinent to referred to the order of CIT(A), which is as under:

"2 GROUND OF APPEAL-1

That the Ld AO vide order dated 22.11.2016 has erred both on facts and in law in framing an impugned assessment and making addition of Rs 9292441

3 GROUND OF APPEAL-2

That Ld AO erred in making addition of Rs 9292441 as interest accrued/received on Fixed deposit placed as margin money with bank for issue of Bank Guarantee for Oil blocks, as income of appellants

4 GROUND OF APPEAL-3

That Ld AO erred in not allowing expenses of Rs 13825302 incurred directly and exclusively towards earning such interest income.

5 GROUND OF APPEAL -4

That the Ld AO grossly erred in initiating penalty proceedings u/s 271(1)(c)

6 GROUND OF APPEAL -5

The Appellant craves leave to add, alter, amend or vary any or all of the above grounds of appeal at or before the time of hearing. "

5. A perusal of the aforementioned order show that the CIT(A) has not at all adjudicated the grievance of the assessee but has simply copied the grounds and decided the appeal which is not known, whether it is in favour of the Assessee or in favour of the Revenue. Such cryptic order does not have any legal sanctity and deserves to be set aside.

6. We restore the appeal to the file of the CIT(A) with a direction to decide the appeal afresh, after considering the merits of the case and after

giving a reasonable and sufficient opportunity of being heard to the assessee.

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

Order pronounced in the open court on 21.09.2023.

Sd/-
(ASTHA CHANDRA)
JUDICIAL MEMBER

Dated: 21/09/2023.
Pooja/-

Sd/-
(N.K. BILLAIYA)
ACCOUNTANT MEMBER

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR
ITAT NEW DELHI

Date of dictation	21/9/23
Date on which the typed draft is placed before the dictating Member	21.09.23
Date on which the typed draft is placed before the Other Member	
Date on which the approved draft comes to the Sr. PS/PS	
Date on which the fair order is placed before the Dictating Member for pronouncement	
Date on which the fair order comes back to the Sr. PS/PS	
Date on which the final order is uploaded on the website of ITAT	
Date on which the file goes to the Bench Clerk	
Date on which the file goes to the Head Clerk	
The date on which the file goes to the Assistant Registrar for signature on the order	
Date of dispatch of the Order	