

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

**BEFORE SHRI GEORGE GEORGE K., VICE PRESIDENT  
AND  
SHRI CHANDRA POOJARI, ACCOUNTANT MEMBER**

ITA No.381/Bang/2023
Assessment Year: 2016-17

BMM Ispat Limited 114, Danapur Village Hospet Taluk Bellary 583 201 Karnataka  <b>PAN NO : AACCB3556B</b>	<b>Vs.</b>	ACIT Circle-1(1)(2) Bangalore
<b>APPELLANT</b>		<b>RESPONDENT</b>

<b>Assessee by</b>	:	Shri K.R. Pradeep & Ms. Giriji G.P., A.Rs
<b>Revenue by</b>	:	Shri Senthil Kumar N., D.R.

<b>Date of Hearing</b>	:	18.01.2024
<b>Date of Pronouncement</b>	:	24.01.2024

**O R D E R**

**PER CHANDRA POOJARI, ACCOUNTANT MEMBER:**

This appeal by assessee is directed against order of NFAC for the assessment year 2016-17 dated 20.3.2023 passed u/s 250 of the Income Tax Act, 1961 (in short “The Act”). The assessee has raised following grounds of appeal:

1. *“That the orders of the authorities below in so far as it is against the assessee is against the law, facts, circumstances, natural justice, equity, without jurisdiction, bad in law and all other known principles of law.*
2. *That the total income computed and the total tax computed is hereby disputed.*

3. *The AO erred in not providing sufficient and adequate opportunity to the appellant as required under law, thereby violating the principles of natural justice, hence the order requires to be cancelled.*
4. *On the facts and circumstances of the case as well as in law, the learned CIT(A) has erred in confirming the action of learned Assessing Officer in making addition of Rs. 150,13,10,676/- as unaccounted cash credit u/s 68 rws 115BBE of the Act.*
5. *On the facts and circumstances of the case as well as in law, the learned CIT(A) has erred in confirming the action of learned Assessing Officer in treating the loan from Dinesh Kumar Singhi of Rs.78,39,89,104/- as accounted cash credit u/s 68 rws 115BBE of the Act.*
6. *On the facts and circumstances of the case as well as in law, the learned CIT(A) has erred in confirming the action of learned Assessing Officer in treating the loan from Snehalatha Singhi of Rs. 1,03,21,572/- as unaccounted cash credit u/s 68 rws 115BBE of the Act.*
7. *On the facts and circumstances of the case as well as in law, the learned CIT(A) has erred in confirming the action of learned Assessing Officer in treating the loan from Laxmipat Dudheria of Rs. 70,70,00,000/- as unaccounted cash credit u/s 68 rws 115BBE of the Act.*
8. *That the authorities below erred in resorting to section 68 and section 115BBE of the Act.*
9. *That the authorities below erred in ignoring the relevant details and relying on surmises, suppositions and conjectures in support of the addition. The authorities below erred in making the addition even after giving a finding that the said funds belong to the directors and not to the company. Thus they failed to act on their own finding and consequently the orders below are perverse in nature.*
10. *That the case laws relied on by the authorities below are not relevant and out of context.*
11. *The appellant denies the liabilities for interest u/s 234B & 234C of the Act. Further prays that the interest if any should be levied only on returned income.*
12. *No opportunity has been given before levy of interest u/s 234B & 234C of the Act.*
13. *Without- prejudice to the appellant's right of seeking waiver before appropriate authority, the appellant begs for consequential relief in the levy of interest u/s 234B & 234C of the Act.*

*14. For the above and other grounds and reasons which may be submitted during the course of hearing of the appeal, the assessee requests that the appeal be allowed as prayed and justice be rendered.*

*15. The appellant craves leave to add, amend, alter or delete the grounds of appeal.”*

**2.** Facts of the case are that the assessee is a Public Limited Company. For the above assessment year, the assessee company filed its Return of Income on 26.11.2016 declaring a loss of Rs.247,23,15,045/-. A notice u/s 143(2) of the Act was issued dt.03.07.2017. The assessee's case was selected for making a reference to the Transfer pricing officer in respect of certain Specified Domestic Transactions vide reference dt.18.09.2018. After elaborate hearing the learned TPO determined that no adjustment was required u/s 92CA rws 92C to the arm's length price determined by the assessee vide order u/s 92CA of the Act dt.22.10.2019. For the impugned year several hearings were scheduled, however no effective hearing took place for a long period of time in view of change in jurisdiction of the AO. Finally, and penultimately a notice dt. 28.11.2019 was issued u/s 142(1) of the Act with the compliance date of 10.12.2019 calling for several details many of which are very basic like seeking copy of the Balance Sheet, Profit & Loss etc. Thereafter another notice dt. 16.12.2019 was issued seeking several details fixing the compliance and also hearing fixed on 20.12.2019 at 11.47 am. On going through the details, the ld. AO did not seek any further details nor expressed any adverse view about the details filed or raised any issue of contention. From the assessment order in para 3.6, it is seen that the AO has caused certain enquiry and collected information on 25.12.2019 from Karur Vysya Bank with a stated view to verify money trail related to unsecured loan. The AO is on record to say that it received only partial details. The assessee received the assessment order dt. 31.12.2019 and was utterly shocked and dismayed to learn that as

against the loss of Rs. 247,23,15,045/-, the AO had made addition of Rs.150,13,10,676/- u/s 68 rws 115BBE of the Act. The details of the addition is in para 5.11 of the assessment order.

**2.1.** Against this assessee went in appeal before NFAC. NFAC confirmed the order of the ld. AO. Against this assessee is in appeal before us.

**3.** The above **ground Nos.1, 2, 14 & 15** are general which do not require any adjudication.

**4. Ground Nos.4 to 10** are with regard to sustaining addition of Rs.1,50,13,10,676/-.

**4.1** The ld. A.R. submitted that the assessee has furnished the details sought for and also duly appeared before ld. AO. On going through the details, the ld. AO did not seek any further details nor expressed any adverse view about the details filed or raised any issue of contention. In the assessment order at para 3.6, the ld. AO has caused certain enquiry and collected information on 25.12.2019 from Karur Vysya Bank with a view to verify money trail related to unsecured loan. The AO is on record to say that it received only partial details. The assessee received the assessment order dt. 31.12.2019 and came to know that as against the loss of Rs. 247,23,15,045/-, the AO had made addition of Rs.150,13,10,676/- u/s 68 rws 115BBE of the Act. The details of the addition is in para 5.11 of the assessment order. The queries on all other issues has been duly accepted by the AO. The addition made u/s 68 rws 115BBE of the Act is incorrect and contrary to the evidence on record. The genesis of the addition can be traced to the show cause notice dt.16.12.2019 in para 3 of the assessment order which he extracted as hereunder:

*"3. During the year assessee has received loan from directors/related parties. As per ITR, the lenders does not have source to lend such amount during the year. Assessee also failed to prove the source for such loan amount transaction. Hence, assessee is show caused why same shall not be taxed u/s 68 and taxed u/s 115 BBE of IT Act."*

**4.2** He submitted that the respective details were filed by the assessee on 20.12.2019, which are extracted from para 5.3 of the assessment order as below:

*"The details of loans from directors/related parties are as under:*

<i>SlNo</i>	<i>Name of the party</i>	<i>Opening Balance</i>	<i>Loan received</i>	<i>Loan repaid</i>	<i>Balance as on 31.03.2016</i>
1	<i>Dinesh Kumar Singhi</i>	<i>120,99,84,555</i>	<i>145,01,50,000</i>	<i>19,50,00,000</i>	<i>2,46,51,34,555</i>
2	<i>Snehalata Singhi</i>	<i>12,82,00,000</i>	<i>34,06,64,732</i>		<i>46,88,64,732</i>
3	<i>Singhi Holdings Private Limited</i>	<i>8,23,00,000</i>	-	-	<i>8,23,00,000</i>
4	<i>Singhi Finlease Private Limited</i>	<i>6,40,00,000</i>	-	-	<i>6,40,00,000</i>

*All the transactions have been transacted through banking channels by way of account payee cheques/RTGS. The copies of the ledger accounts, confirmation statements, bank statements, Income Tax returns and Financial statements are enclosed as Annexure 3. It may be seen that the above parties are having sources for advancing the loans and have been reflected in their respective Income Tax returns and assessments. There is no case to hold that there is any element of any type of adverse finding. Hence it is requested that no recourse be made to section 68 or section 115BBE of the Act. If you need any further information we are more than happy to furnish the same even at a short notice and oblige."*

**4.3** The Id. A.R. submitted that a perusal of the query in show cause notice shows that the query was pertaining to directors who are related parties. The details were submitted by the assessee vide letter dt.20.12.2019. No other details were called for. Since no specific names were mentioned in the SCN, the assessee submitted the details to the best of its understanding and the AO did not ask for any further details. The query in the SCN appears that the AO had already made up its mind to somehow make an addition indicating a pre-judgment. The assessee has produced the standard details as is required to establish the genuinity of the transaction. No further hearings were given after the info was received albeit partially from Karur Vysya Bank. Further, no

question was asked about the transaction with Shri Laxmipat Dudheria. The fact that all the parties being Dinesh Kumar Singhi, Snehalatha Singhi and Laxmipat Dudheria are assessed to tax for long period of time and the resources are adequate and reflected in the financial statements and that the transaction were through account payee cheques/ RTGS has been ignored. The assessee has discharged the basic onus and that the onus was shifted to the AO has been totally ignored. The AO's reference to decision of the Supreme Court in Pr. CIT vs NRA Iron & Steel Pvt Ltd (Arising out of SLP (Civil) No.29855 of 2018) does not help the case of the revenue as it deals with the issue of share capital. Further, the decision is an ex-parte order as the assessee in the said case was not present before the Court. The discussion particularly in the order of the Supreme Court extracted hereunder helps the cause of the assessee than that of the revenue.

*“The assessee is expected to establish to the satisfaction of the Assessing Officer: Proof of Identify of the creditors; CIT v. Precision Finance Pvt. Ltd. (1994) 208 ITR 465 (Cal) Capacity of creditors to advance money; and Genuineness of transaction This Court in the land mark case of Kale Khan Mohammad Hanifv. CITS and, Roshan Pi Batti v. CIT4 laid down that the onus of proving the source of a sum of money found to have been received by an assessee, is on the assessee. Once the assessee has submitted the documents relating to identity, genuineness of the transaction, and credit-worthiness, then the AO must conduct an inquiry, and call for more details before invoking Section 68.”*

**4.4** The ld. A.R. further submitted that the ld. AO has also followed a very strange procedure unknown to law and not supported by any rules or procedure and has followed its own whims and fancies to draw conclusion. While the assessee had submitted the account statement and confirmation, instead of verifying the source for each entry, the AO has chosen to draw up a summary and did not even do the rudimentary work of verification. He submitted that a perusal of section 68 of the Act applies to "tiny sum found credited in the books" i.e., each credit and not some vague verification. The assessee's source of credit was

from the lenders whose names have been furnished. Thus, any enquiry about the source ought to have been to the lenders who have already confirmed the lending. He submitted that the AO himself recorded that the assessee received the funds from Dinesh Kumar Singhi who in turn received the money from Laxmipat Dudheria. Hence, even according to the ld. AO, Dinesh Kumar Singhi source is from Laxmipat Dudheria. On the basis of this finding, addition both on account of Dinesh Kumar Singhi and Laxmipat Dudheria indicates a clear case of double addition to say the least and also clearly explains the source. He submitted that the Hon'ble Supreme Court has repeatedly held that the scope of section 68 is confined to verifying the source and not source of source. Thus, it is clear that the ld. AO has fallen in error. Hence, there is a complete failure to follow even the basic principles of natural justice before making such a huge addition on a loss making company with debilitating consequence. Thus, he submitted that the assessee is aggrieved by the above arbitrary addition u/s 68 rws 115BBE of the Act of Rs.150,13,10,676/-, levy of interest u/s 234B of Rs.23,12,38,305/-, u/s 234C of Rs.3,88,450/- and the assessment order. The ld. A.R. submitted regarding these cash credits as below:

**Laxmipat Dudheria - Rs.70,70,00,000/-**

**4.5** The ld. A.R. submitted that a perusal of the query in show cause notice shows that the query was pertaining 16 directors who are related parties. The details were submitted by the assessee vide letter dt 20.12.2019. No other details were called for. Since no specific names were mentioned in the SCN, the assessee submitted the details to the best of its understanding and the AO did not ask for any further details. No further hearings were given after the information was received albeit partially from Karur Vysya Bank. Further no question was asked about the transaction with Shri Laxmipat Dudheria. Thus, no adverse inference can be drawn on the

assessee in this regard. The assessee has produced the standard details as is required to establish the genuinity of the transaction. The very edifice and the substratum based on which the addition is made does not exist and appears to be a wild imagination. There is no effort by the AO except summarily and erroneously causing a wrong addition. Any clarification could have been submitted by the assessee and examined by the AO had the same been brought to the knowledge of the assessee. The transaction is genuine, verifiable and can no stretch be called unexplained. Lack of understanding/inability to understand the explanation cannot be equated as unexplained.

**Dinesh Kumar Singhi - Rs.78,39,89,104/-**

**4.6** The Id. A.R. submitted that the loan given by Dinesh Kumar Singhi is reflected in the regular books of accounts and the financial statements. Further in the details of loans and advances, loan given to the assessee company has been reflected. The balance shown in the financial statements of Dinesh Kumar Singhi and that of the assessee is the same and there is no discrepancy. The transactions entered during the year is through Karur Vysya Bank, State Bank of Hyderabad and Kotak Mahindra Bank (erstwhile Vysya Bank) and copies of the bank statement has been submitted. The AO also has made enquiries from Karur Vysya Bank and collected the information as can be seen from the discussion in para 5.5.2 of the assessment order. The confirmation of credit has been given along with the PAN number and the Income Tax Return filed. Dinesh Kumar Singhi has been one of the largest taxpayer for past several decades and this fact is known to the department. The opening balance is well supported by the financial statement for the year ended 31.03.2015. Thus looking from any angle the credit and the transactions stands proved beyond any shade of doubt. The assessee has produced the standard details as is required to establish the genuinity of the transaction. Without calling for any

further detail/explanation from the assessee, the AO has alleged that Dinesh Kumar Singhi did not have source to advance loan to the assessee. The discussion by the AO on the issue of transaction between said Dinesh Kumar Singhi and Sagar Cements (erstwhile BMM Cements) and the alleged discrepancy mentioned in para 5.5.2 is not relevant for making the impugned addition. It is a matter of intrigue why the AO never sought for any clarification from the assessee and has chosen to rely on irrelevant material to castigate and hold against Dinesh Kumar Singhi and the assessee by making the impugned addition. Needless to say the material relied on and the inference drawn on the alleged transaction and the outstanding balance between Dinesh Kumar Singhi and Sagar Cements and patently erroneous and irrelevant to say the least. A bare verification of the ledger copies of Sagar Cements in Dinesh Kumar Singhi books and the confirmation of accounts given by Sagar Cements indicates that the closing balance of Rs.1.57 crore matches with each other and indicates no discrepancy, Evidently the AO has misguided herself for the reason best known. Even a rudimentary analysis would indicate that there was no need to make such an inference and addition thereon. The very edifice and the substratum based on which the addition is made does not exist and appears to be a wild imagination. These clarifications could have been submitted by the assessee and examined by the AO had the same been brought to the knowledge of the assessee. The transaction is genuine, verifiable and can no stretch be called unexplained. Lack of understanding/inability to understand the explanation cannot be equated as unexplained.

**Snehalatha Singhi - Rs.1,03,21,572/-**

**4.7** The Id. A.R. submitted that the assessee vide reply dated 20.12.2019 had submitted the ledger of Snehalatha Singhi in the books of the assessee, confirmation of accounts, Bank

statements and financial statements. The assessee has produced the standard details as is required to establish the genuinity of the transaction. Without calling for any further detail/explanation from the assessee, the AO has alleged that Snehalatha Singhi did not have source to advance loan to the assessee. The AO has not given any reason for making the said disallowance and thus is done without application of mind. The very edifice and the substratum based on which the addition is made does not exist and appears to be a wild imagination. There is no effort by the AO except summarily and erroneously causing a wrong addition. Any clarification could have been submitted by the assessee and examined by the AO had the same been brought to the knowledge of the assessee. The transaction is genuine, verifiable and can no stretch be called unexplained. Lack of understanding/inability to understand the explanation cannot be equated as unexplained. The fact that all the parties being Laxmipat Dudheria, Dinesh Kumar Singhi & Snehalatha Singhi are assessed to tax for long period of time and the resources are adequate and reflected in the financial statements and that the transaction were through account payee cheques/ RTGS has been ignored. The assessee has discharged the basic onus and the onus was shifted to the AO and that the AO has failed to discharge the onus. There is not even an iota of evidence brought on record which is adverse to the assessee. Without doing so the AO has made massive addition in a very cavalier manner. In view of the above, the ld. A.R. submitted that the arbitrary addition of Rs.150,13,10,676/- requires to be deleted in the interest of justice.

**4.8** Thus, the ld. A.R. submitted that the assessee has proved the identity and capacity of parties and thus, the transactions are genuine since it was routed through the banking channels. The ld. AO without calling any details or making any further enquiry made the addition without application of mind. There was no effort by the

ld. AO except summarily and erroneously passing a wrong addition. Any clarification could have been submitted by assessee and examined by ld. AO had the same been brought to the knowledge of the assessee. Even the NFAC has not made or caused any enquiry and in a random basis sustained the addition, which is to be deleted in to to. He relied on the following judgements:

- 1) Decision of Hon'ble Bombay High Court in the case of Orient Trading Co. Ltd. Vs. CIT (1963) 49 ITR 723
- 2) Decision of the Hon'ble High Court of Delhi in the case of Toby Consultant (P) Ltd. Vs. CIT (2010) 324 ITR 338
- 3) Decision of the Hon'ble High Court of Delhi in the case of PCIT Vs. Bikram Singh (2017) 399 ITR 407.
- 4) Decision of the Hon'ble High Court of Gujarat in the case of Pawankumar M. Sanghvi Vs. ITO (2018) 404 ITR 601.
- 5) Decision of the Hon'ble High Court of Gauhati in the case of United Nemi Chand Kothari Vs. CIT & Anr. (2003) 264 ITR 254.
- 6) Decision of the Hon'ble Supreme Court of India in the case of Sumati Dayal Vs. CIT (1995) 214 ITR 801.
- 7) Decision of the Hon'ble High Court of Karnataka in the case of Kaveri Associates Vs. ACIT (ITA No.375 of 2013) (2020) 429 ITR 40.

**5.** On the other hand, ld. D.R. submitted that u/s 68 of the Act, the assessee has proved the identity ad capacity of parties as well as genuineness of transaction. In the present case, assessee has only proved the identity of parties. However, capacity of these parties or genuineness of the transaction not proved. These creditors are having meagre income as reflected in their income tax returns filed by them for various assessment years. There was no capacity to them to lend such huge amounts to the assessee and further mere routing the said amount through banking channel cannot justify the genuineness of the transaction. It was only made believe story. The

assessee failed to discharge onus cast upon by complying with the requirement of the section 68 of the Act. The assessee is engaged in laundering of money. The lower authorities after considering the factual position of the transaction made additions and the same to be confirmed and there is no necessity of remitting the issue back to the file of Id. AO or NFAC/CIT(A) for further enquiry as the assessee has not discharged initial burden cast upon it. The assessee is duty bound to prove all the ingredients of section 68 of the Act, which is not discharged by the assessee and same to be sustained.

**6.** We have heard the rival submissions and perused the materials available on record. The argument of Id. D.R. is that there is a grave doubt about the capacity of the lenders and genuineness of the transactions. The documents produced by the assessee are self-serving document as not enough to justify the claim of the assessee. It was submitted that banking documents are mere self-serving recitals and these documents cannot be relied upon. It is to be noted that Hon'ble Supreme Court in the case of CIT Vs. P. Mohanakala (291 ITR 278), wherein held that "the money came by way of bank cheque and was paid through the process of banking transactions was not by itself of any consequences. The burden of proof is on the assessee in the matter of justification of receipts, which are of suspicious and dubious nature."

**6.1** In the case of CIT Vs. Durga Prasad More (82 ITR 540) (SC), wherein their Lordship laying down the significance of human probabilities held as under:

*"In the case where a party relied on self-serving recitals in documents, it was for that party establishing the truth of those recitals; the taxing authorities were entitled to look into the surrounding circumstances to find out the reality of such recitals. Similarly, in the case of Sumati Dayal Vs. CIT (214 ITR 801) (SC), it was held that in view of section 68 of the Act, where any sum is found credited in the books of accounts of the assessee for in the previous year, the same may be charged to income tax as the income of the assessee of that previous year if that explanation offered by the assessee about the nature and source there of is, in opinion of the Id. AO*

*not satisfactory. In such cases, there is a prima-facie evidence against the assessee namely the receipt of money, and if he fails to rebut the said evidence being unrebutted, can be and used against him by holding that it was a receipt of income nature.”*

**6.2** Thus, it is to be understood that the onus on the assessee is not only limited to establish the identity of the person making the advance but also his capacity to make advances and it has to be proved that it had actually been received as a loan from the creditor. The documents produced by the assessee shall not only proving identity of the parties but also creditworthiness of the creditor who should have the financial capacity to make the advance in question, to the satisfaction of the AO, so as to discharge the primary onus. The Id. AO is duty bound to investigate the creditworthiness of the parties, verify the identity of the creditors and ascertain whether the transaction is genuine or these are bogus entries in the name of lenders. If the enquiries and investigations reveal that the identity of the creditors to be dubious or default or lack of creditworthiness, then the genuineness of the transaction would not be established. In such case, the assessee would not have discharged the primary onus contemplated by section 86 of the Act.

**6.3** It was held by Hon'ble Supreme Court in the case of Roshan Di Hatti Vs. CIT (107 ITR 938) (SC) that onus of proving the source of sum of money found to have been received by the assessee, is of assessee. Once the assessee has submitted the documents relating to identity, genuineness of transactions and creditworthiness, then Id. AO must conduct enquiry and call for more details before invoking section 68 of the Act. If the assessee is not able to provide a satisfactory explanation of the nature and sources, the credit shown in the books of accounts in the assessment year under consideration is open to the lower authorities to hold that it is the income of the assessee and there would be no burden on the revenue to show that the income is from any particular sources. It is to be noted that once

the assessee has produced the documents relating to identity, genuineness of transactions and creditworthiness of the lender, then the lower authority is duty bound to conduct an independent enquiry to verify the same. However, in the present case, the lower authorities has not made any independent enquiry to verify the capacity of lenders of genuineness of the transactions, though the lower authorities has pointed out the discrepancy and insufficiency in the documents furnished by the assessee before him. As seen from the facts of present case, the lower authorities concerned has to examine the evidences furnished by conducting independent enquiry and there after to state whether he is satisfied with the details of evidences produced by the assessee and conducting of enquiry made by him. If he is not satisfied with the details of evidence and enquiry made by him after confronting the same to the assessee, he should take a decision to make an addition or not to make addition. At this point of time, it is not possible to hold that assessee has successfully discharged its primary onus cast upon him to explain the source of alleged credits in its books of accounts. Though the lower authorities noted the various shortcomings in the compliance made by the assessee, the lower authorities has not carried out the enquiry to the full extent.

**6.4** As observed by Hon'ble Kolkata High Court in the case of PCIT Vs. Swathi Bajaj (446 ITR 56) (Kol) where their Lordship referred the judgement in the case of NR Portfolio Ltd. (2ITR-OL 68) (Del) wherein held that the AO is both an investigator and an adjudicator. The AO can also refer to incriminating material or evidence available with him and call upon the assessee to file their response and a general and universal procedure or method to be adopted by AO while verification of facts cannot be laid down. However, the manner, the mode of conducting assessment proceedings has to be left to the discretion of the AO and same should be just, fair and should not cause any harassment to the assessee. Further, it was observed that

the provisions of Evidence Act are not applicable, but the AO being a quasi-judicial authority must take care and caution to ensure that decision is reasonable and satisfied the balance of equity, fairness of justice and the principles of preponderance of probabilities apply.

**6.5** The assessee argued that the revenue must have evidence to show circulation of money from the assessee to the third party, which contention was to be rejected in view of the judgement in the case of A. Govinda Rajulu Mudaliar Vs. CIT (34 ITR 807), wherein Hon'ble Supreme Court observed that "it is not the duty of revenue to adduce evidence to show that from what sources income was derived and why it should be treated as concealed income and the assessee must prove satisfactorily the sources and the nature of cash received during the accounting year and it is not necessary for the revenue to locate the exact source."

**6.6** In view of the above, we are of the opinion that it is appropriate to remit this issue in dispute to the file of NFAC/CIT(A) to carry out further enquiry on this issue as deemed fit and to decide accordingly.

**7.** With regard to **Ground No.3**, the submission of assessee is that there is violation of principles of natural justice. Since we have remitted the entire issue in dispute to the file of NFAC/CIT(A) for fresh consideration, there cannot be any grievance at his stage on the part of the assessee.

**8.** With regard to **ground Nos.11 to 13**, these are consequential and mandatory in nature to be computed accordingly.

**9.** In the result, appeal of the assessee is partly allowed for statistical purposes.

Order pronounced in the open court on 24<sup>th</sup> Jan, 2024

**Sd/-**  
**(George George K.)**  
**Vice President**

**Sd/-**  
**(Chandra Poojari)**  
**Accountant Member**

Bangalore,  
Dated 24<sup>th</sup> Jan, 2024.  
VG/SPS

Copy to:

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

By order

**Asst. Registrar,  
ITAT, Bangalore.**