

**IN THE INCOME TAX APPELLATE TRIBUNAL  
SMC-‘C’ BENCH : BANGALORE**

**BEFORE SHRI CHANDRA POOJARI, ACCOUNTANT MEMBER  
AND  
SHRI KESHAV DUBEY, JUDICIAL MEMBER**

<b>ITA No. 530/Bang/2024</b>
<b>Assessment Year : 2017-18</b>

Ms. Sheetal Kawad, Eagle Heights 1521, Maruthi Street, Belgaum – 590 001. Karnataka. <b>PAN: ALMPK6916G</b>	<b>Vs.</b>	The Income Tax Officer Ward – 1, Belgaum.
<b>APPELLANT</b>		<b>RESPONDENT</b>

Assessee by	:	Shri Vinay .K. Kulkarni, Advocate
Revenue by	:	Shri Ganesh R. Ghale, Standing Counsel

Date of Hearing	:	22-04-2024
Date of Pronouncement	:	28-06-2024

**ORDER**

**PER KESHAV DUBEY, JUDICIAL MEMBER**

This appeal at the instance of the assessee is directed against the Ld.CIT(A)/NFAC order dated 06.02.2024 vide DIN & Order No. ITBA/NFAC/S/250/2023-24/1060576266(1) passed u/s. 250 of the IT Act, 1961 for the A.Y. 2017-18.

2. The assessee has raised the following grounds:

<i>Grounds of Appeal</i>		<i>Tax effect relating to each Ground of appeal (see note below)</i>
1.	<i>The Disallowance of bad debts written off of Rs 4,56,071 is against the Honourable Supreme Court Judgment, Income Tax Act and Circular issued by the Central Board of Direct Taxes</i>	15,39,659
2.	<i>The Addition on account of remission/Session of liability of sundry creditors of Rs 24,30,542 is against the provisions of the Act and Honourable Jurisdictional Income Tax Appellate Tribunal order</i>	
3.	<i>The addition of Rs 9,93,000 under section 68 is against the facts and based on the Surmises</i>	
4.	<i>In the interest of the Justice it is prayed to allow our appeal</i>	
<i>Total tax effect (see note below)</i>		15,39,659

3. The brief facts are that the case being a 'OCM/Demonetization' case, identified for verification of 'SFT' cash deposit data related to cash deposit in bank account during demonetization period requiring the assessee to file return of income on or before 31.03.2018 but no return of income was filed in response to the notice u/s. 142(1) of the IT Act. As no return of income was filed for the year under consideration accordingly the AO invoking the provisions of section 144 of the IT Act, 1961, concluded the Assessment on the basis of details furnished and also material available on record. Further as observed by the AO during the course of assessment proceeding also, the assessee has not cooperated in the proceeding and hence the assessment

proceeding concluded ex-parte on the basis of material available on record. The Ld.AO makes the following additions -

- a) Net Income from Business before set off of b/f Losses- Rs.59,801/-
- b) Profit on sale of shares wrongly deducted- Rs. 91,421/-
- c) Disallowance of bad debts written off – Rs. 4,56,071/-
- d) Remission / Cessation of liability of sundry creditors amounting to Rs.24,30,542/-
- e) Addition u/s. 68 – Rs. 9,93,000/- [ 2,00,000+7,93,000]
- f) Short term capital Gain as declared- Rs.91,421/-

4. Aggrieved by the assessment completed u/s. 144 of the IT Act,1961 the assessee preferred an appeal before the Ld.CIT(A)/NFAC. The Ld.CIT(A) confirmed the additions and dismissed the appeal on the ground that assessee has not produced any material, document or evidence even before the Ld.CIT(A) and accordingly, the Ld.CIT(A) held that the assessee is not interested in prosecuting its appeal and accordingly dismissed the claim of the appellant.

5. Aggrieved by the order of the Ld.CIT(A), the assessee has filed the present appeal before the Tribunal.

6. Before us, the assessee has filed a paper book comprising 94 pages enclosing therein copies of -

- a) Written Submission before Hon'ble ITAT
- b) Statement of accounts of debtors written off
- c) Circular No 12 dated 30.05.2016 issued by CBDT
- d) List of Sundry Creditors as on 31.03.2017
- e) Honourable ITAT Bengaluru Judgment
- f) Canara Bank Statement for Account No 060030/0000404 and Bank account as per books
- g) Canara Bank Statement for Account No 0501250001195 and Bank account as per books
- h) Balance Sheet, Profit and Loss account as per books and Audited Financial Statements

7. At the time of hearing, both the parties fairly conceded that the assessment order as well as the order of the CIT(A)/NFAC are ex-parte. Further the AR of the Assessee vehemently submitted that due to the communication gap between the Assessee & his consultant, neither of them could appeared before the authorities below & prayed that one more opportunity may be granted in the interest of Justice & fair play. Being so, in the interest of justice & considering the Paper book filed by the Assessee before us, we remit the entire issue in dispute to the file of AO for fresh consideration & to decide the same in accordance with law after giving reasonable opportunity of being heard to the assessee. The Assessee is directed to co-operate with the proceedings before the revenue authorities and to file the relevant documents/evidences/submissions/information which would be essential & required by the revenue authorities for proper adjudication of the case. We clarify that in case of further default the assessee shall not be entitled for any leniency.

**In the result, the appeal filed by the assessee is partly allowed for statistical purposes.**

**Order pronounced in the open court on 28<sup>th</sup> June, 2024.**

Sd/-  
(CHANDRA POOJARI)  
Accountant Member

Sd/-  
(KESHAV DUBEY)  
Judicial Member

Bangalore,  
Dated, the 28<sup>th</sup> June, 2024.  
/MS /

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|---------------|------------------------|
| 1. Appellant  | 2. Respondent          |
| 3. CIT        | 4. DR, ITAT, Bangalore |
| 5. Guard file | 6. CIT(A)              |

By order

Assistant Registrar,  
ITAT, Bangalore