

**IN THE INCOME TAX APPELLATE TRIBUNAL “C” BENCH KOLKATA**

**BEFORE SHRI SONJOY SARMA, JUDICIAL MEMBER  
AND SHRI SANJAY AWASTHI, ACCOUNTANT MEMBER**

**ITA No. 1816/KOL/2024  
Assessment Year: 2016-17**

S B Cold Storage Industries Pvt. Ltd. 55, Bhupendra Bose Avenue, Shyampukur, Kolkata-700004. (PAN: AADCS8922M)	vs	ACIT, Circle-7(2), Kolkata.
(Appellant)		(Respondent)

**Present for:**

Assessee by : Shri N. C.Mondal, AR  
Revenue by : Shri Akhil Kumar, Sr. DR

Date of Hearing : 12.11.2024  
Date of Pronouncement : 18.11.2024

**ORDER**

**PER SONJOY SARMA, JM:**

This appeal of the assessee for the assessment year 2016-17 is directed against the order dated 27.06.2024 passed by the Id. Commissioner of Income-tax (Appeals), ADDL/JCIT(A)-2, Coimbatore [hereinafter referred to as ‘the Id. CIT(A)’] u/s.250 of the Income Tax Act, 1961 (hereinafter referred to as the “Act”).

2. The assessee is a private limited company engaged in the business of running a cold storage facility for potatoes. Assessee filed its original return of income on 17.10.2016 declaring a loss of Rs.7,12,30,988/- within the time limit u/s. 139(1) of the Act. Subsequently, assessee revised its return of income on 16.12.2017 reducing the declared loss to Rs.32,66,516/- by withdrawing the claim for provisions of doubtful debts in accordance with the

provisions of the Act. Subsequently, notice u/s. 143(2) following by another notice u/s. 142(1) of the Act was issued to the assessee requiring it to furnish various details including break up of bad debts claim at Rs.26,09,777/- along with justification for allowability of its claim u/s. 36(1)(vii) of the Act. The Ld. AO after examining the relevant aspects of the case completed the assessment by reducing the total loss of Rs.64,790/- against the revised loss of Rs.32,66,516/- as claimed by the assessee. This reduction of loss arises due to the adjustments. Disallowance of assessee's claim of bad debts amounting to Rs. 26,09,777/- on the ground of the assessee failed to establish the allowability of its claim, and the other addition of Rs.1,08,015/- made u/s. 40(a)(i) of the Act. Consequently, the assessee's total income was assessed at reduced figure of loss of Rs.64,790/-.

3. Dissatisfied with the above order, assessee filed an appeal before the Ld. CIT(A) seeking relief from the disallowance of bad debts and the other addition made by the AO. However, Ld. CIT(A) partly allowed the appeal of the assessee and on the issue of bad debts sustained the addition stating that assessee failed to provide sufficient evidence. Despite being requested to submit the required details, assessee reportedly did not submit any further proof by the specified date leading the Ld. CIT(A) to sustain the disallowance of Rs.26,09,777/-.

4. Aggrieved by the order of the Ld. CIT(A), assessee filed an appeal before this Tribunal contending that all necessary documents to substantiate its claim regarding bad debts were in fact submitted on 26.11.2023. The Ld. AR argued that Ld. CIT(A) did not consider

this document, which lead to summarily dismissal of the assessee's claim. The Ld. AR submitted before the bench that the matter may be remanded back to the file of the AO for re-examination of the instant issue so that the issue of bad debts would be evaluate solely based on the documents filed by the assessee.

5. On the other hand, the Ld. DR supported the decision of the authorities below.

6. After hearing the rival submissions of the parties and on examination of the material available on record, we find that the Ld. CIT(A) stated in his order that assessee failed to provide supporting documents to substantiate its claim for bad debts amounting to Rs.26,09,777/-. However, the assessee asserts that it submitted relevant supporting documents to the Ld. CIT(A) on 26.11.2023 which were not taken into consideration by the Ld. CIT(A) when adjudicating the matter given, we find conflicting statement. We, therefore, find it appropriate to remand the instant issue to the file of Ld. AO for fresh examination to ensure that assessee's submission and evidence regarding bad debts are duly evaluated. In view of the above, we do hereby remand the issue to the in respect of disallowance of Rs.26,09,777/- back to the file of the Ld. AO with a direction to reexamine the issue afresh after affording reasonable opportunity of being heard to the assessee by considering of relevant documents and evidence that assessee to submit in support of its claim. Assessee is also directed to comply with the notice before the Ld. AO without any fail. In terms of the above, the appeal of the assessee is allowed for statistical purposes.

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

Order pronounced in the open court on 18.11.2024

**Sd/-**

**Sd/-**

**(Sanjay Awasthi)**  
**ACCOUNTANT MEMBER**

**(SONJOY SARMA)**  
**JUDICIAL MEMBER**

Kolkata, Dated: 18 .11.2024

Jd. Sr. P.S.

Copy to:

1. The Appellant: S B Cold Storage Industries Private Limited
2. The Respondent: ACIT,Circle-7(2), Kolkata
3. The Pr. CIT,
4. The CIT (A), ADDL/JCIT(A)-2,Coimbatore.
5. The DR

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By Order

Assistant Registrar  
ITAT, Kolkata Benches, Kolkata