



**IN THE INCOME TAX APPELLATE TRIBUNAL,
CUTTACK BENCH, CUTTACK**

**BEFORE SHRI GEORGE MATHAN, JUDICIAL MEMBER
AND
MANISH AGARWAL, ACCOUNTANT MEMBER**

ITA No.528 /CTK/2024
Assessment Year :2017-18

Raghunath Panda & Sons Private Limited N-2/125 Ground Floor., IRC Village Bhubaneswar 751015	Vs.	Income Tax Officer, Ward- 1(2), Bhubaneswar
PAN/GIR No.AAECR 3427 M		
(Appellant)	..	(Respondent)

Assessee by : Shri B.Panda, Sr Adv and Sri B.R.Panda, Adv
Revenue by : Shri S.C.Mohanty, Sr DR

Date of Hearing : 30/12/2024
Date of Pronouncement : 30/12/2024

ORDER

Per Bench

This is an appeal filed by the assessee against the order of the Id
CIT(A), NFAC, Delhi dated 03/12/2024 in Appeal No. CIT(A),Bhubaneswar-
1/14455/2019-20 for the assessment year 2017-18

2. Shri B.Panda, Sr. Adv and B.R.Panda, Id AR appeared for the
assessee and Shri S.C.Mohanty, Sr. DR appeared for the revenue.

3. The assessee has raised following grounds of appeal:-

"I. For that, the orders of the forums below are unjust, excessive and contrary to the facts of the case and inflation of Income at Rs.1,11,65,160/- is liable to be deleted in toto.

II. For that, addition of Rs.21,50,000/- by disallowing the unsecured loan shown in the Balance-sheet without proper verification, confrontation and inquiry caused gross violation of principles of natural justice, hence entire addition is liable to be deleted.

For that, addition of Rs.55,10,000/- as income of the Appellant by disallowing the short-term borrowings is unjust in the facts of this case and liable to be vacated.

IV. For that addition of Rs. 16,35,905/- on assumption and presumption basis without any valid reasons is excessive and absurd, hence disallowance of expenses @15% in whimsical manner should be quashed in the facts of this case.

V. For that, without proper verification of the accounts Id. AO added Rs.1,19,916/- in mechanical manner for alleged difference in w.d.v of closing balance of preceding year and opening balance of disputed A/Y.1017-18, hence the addition is liable to be deleted in the facts of this case."

4. It was submitted by Id AR that the assessee is a private company engaged in construction and selling of the residential flats. It filed the return of income on 27.12.2017 declaring total income at Rs.17,58,340/- which was processed u/s.143(1) of the Act accepting the income disclosed by the assessee. Thereafter, the return was selected for scrutiny assessment and the AO assessed the income at Rs.1.11.65.160/- passing the assessment u/s.144 of the Act without giving proper opportunity to the assessee. It was the submission that the enhancement was made due to the addition of Rs.21,50,000/- by disallowing the unsecured loan shown by the assessee in the balance sheet, and further addition of Rs.55,10,000/- was made by disallowing the short term borrowings and thereafter

disallowed the expenses @ 15% at Rs.16,35,905/- on Rs.1,09,06,035/- on adhoc basis as well as disallowed depreciation at Rs.1,10,916/-. It was the submission that during the first appellate proceedings, the assessee had filed the details such as name, PAN and address of the security deposited by the persons, sundry creditors and short term borrowing and unsecured loan taken from the persons/establishment, hence, the initial burden on the assessee has been discharged. But the Id CIT(A) without proper application of mind, confirmed the addition made by the AO without calling a remand report from the Assessing Officer. He prayed that the matter may be restored back to the file of the Id CIT(A) to call a remand report from the Assessing Officer and redecide the issue afresh.

5. In reply, Id Sr DR submitted that on the basis of written submissions filed by the assessee, the Id CIT(A) has decided the appeal, therefore, no fruitful purpose will be served to again remit the matter back.

6. We have considered the rival submissions. It is an undisputed fact that the assessment order has been passed u/s.144 of the Act, as there was no compliance in reply to various notices issued by the AO. Before the Id CIT(A) the assessee has also filed various written submissions, which were also considered in the impugned order. The Id CIT(A) has mentioned that the assessee has filed the list containing balance sheet giving list of security deposit and unsecured loans, short term borrowings, list of sundry creditors, other current liability and advanced from customers but no specific

submissions on the ground has been filed. Before us, Id AR submitted that if one more opportunity is granted, the assessee will furnish the specific submissions as required by the Id CIT(A). Therefore, in the interest of justice, the issues in this appeal are restored to the file of the Id CIT(A) for fresh adjudication. The assessee is also directed to file all such details as required for adjudication of the issue afresh by the Id CIT(A).

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

Order dictated and pronounced in the open court on 30/12/2024.

SD/-
(Manish Agarwal)
ACCOUNTANT MEMBER

SD/-
(George Mathan)
JUDICIAL MEMBER

Cuttack; Dated 30/12/2024
B.K.Parida, SPS (OS)

Copy of the Order forwarded to :

1. The Appellant : Raghunath Panda & Sons
Private Limited
N-2/125 Ground Floor., IRC Village
Bhubaneswar 751015
2. The Respondent: Income Tax Officer, Ward-
1(2), Bhubaneswar
3. The CIT(A)- NFAC, Delhi
4. Pr.CIT,
5. DR, ITAT,
6. Guard file.
//True Copy//

By order

Sr.Pvt.Secretary
ITAT, CUTTACK