

IN THE INCOME TAX APPELLATE TRIBUNAL "C" BENCH, KOLKATA

**BEFORE SHRI RAJESH KUMAR, AM
AND
SHRI SONJOY SARMA, JM**

**ITA Nos. 2203 & 2204/KOL/2024
(Assessment Years:2021-22 & 2019-20)**

Bagla Agro Limited
226/1, A.J.C. Bose Road, Trinity,
LR Sarani, S.O. Kolkata-700020
West Bengal

(Appellant)

DCIT, Central Circle-4(1)
Aaykar Bhavan Poorva, 110,
Shanti Pally, Kolkata-700107
West Bengal

(Respondent)

PAN No. AABCI7575G

Assessee by : Shri A.K. Tulsyan, AR
Revenue by : Shri Prabhakar Prakash Ranjan,
DR

Date of hearing: 20.01.2025
Date of pronouncement : 04.03.2025

ORDER

Per Rajesh Kumar, AM:

These are appeals preferred by the assessee against the orders of the Commissioner of Income-tax (Appeals), Kolkata-27 (hereinafter referred to as the "Ld. CIT(A)"] even dated 15.03.2024 for the AY 2019-20 & 2021-22.

02. At the outset, we note that there is delay of 174 days for which condonation petition along with affidavit was filed, explaining the reasons for delay. It was stated in the affidavit that the appellate orders passed ex-parte and unaware of the impugned ex-parte of the order as not received any notice of hearing vide email, which is general mode of communication. It was only come to notice while updating list of pending appeal for the purpose of finalization of accounts. It was only after the fact was noticed from the portal qua



the assessee's appeal having been dismissed, ex-parte and all the documents were accordingly collected and handed over to the counsel of the assessee and finally the appeal was filed with 174 days delays.

03. The Id. DR on the other hand strongly opposed the condonation of delay on the ground that the delay is not properly explained.
04. After hearing the rival contentions and perusing the materials available on record, we find that the reasons for delay appear to be sufficient and bonafide and accordingly, the delay is condoned.

2203/KOL/2024 for A.Y. 2021-22

05. The only issue raised by the assessee is against the order of Id. CIT (A) confirming the addition of ₹1,70,607/- as made by the Id. AO on account of interest on loan paid to M/s Chordia Trade Credits Private Limited.
06. The facts in brief are that the assessee filed the return of income u/s 139(1) of the Act on 04.02.2022, declaring total income of Nil and current liabilities of ₹1,73,512/-. A search action u/s 132(1) of the Act was conducted on assessee on 05.10.2021 and accordingly, notices were issued and served upon the assessee. During the course of assessment proceedings, the Id. AO has debited ₹1,70,607/- by way of interest which according to the Id. AO was bogus as the same was paid to a shell company M/s Chordia Trade Credits Pvt. Ltd. as included in the data base by the DIT(Inv), Kolkata. Accordingly, the same was treated as non-genuine and added to the income of the assessee.
07. In the appellate proceedings, the Id. CIT (A) on his order dismissing the appeal of the assessee by observing and holding as under:-



"5.2. Discussion and decision:

5.2.1. I have perused the assessment order as well as the submission of the assessee. On examining the same, it is noticed that the Ao has rightly added the addition of non genuine business expenditure, hence there is no need to intervene in the AO's orders. Hence the appeal is dismissed.

6. In the appeal Ground No. 2: In this ground, the assessee claimed that the AO was wrong in initiating penalty proceedings u/s 270A of the Act. Relevant portion of the assessment order is as follows:

6.1. Aggrieved by the decision laid down by the AO, the assessee contended that the AO was wrong in initiating penalty proceedings u/s 270A of the Act. Relevant portion of the assessee's submission is as follows:"

08. After hearing the rival contentions and perusing the materials available on record, we find that assessee paid interest to a group of companies and M/s Chordia Trade Credits Pvt. Ltd. We note that the assessee has taken loan so granted in the earlier assessment years, wherein the interest as well as the loan has been accepted by the Revenue. The Id. AO has not disputed the rate of interest at which the interest was provided. We also note that during the course of search proceeding, no incriminating material was seized qua this item. Therefore, considering these facts, we are not in a position to agree with the conclusion of Id. CIT (A) on this issue. Thereby, on the ground that the loans and advances and the unsecured loan taken in the preceding assessment year has been accepted and even the interest paid was not disputed in the earlier years, the same cannot be disputed during this year. Hence, we delete the addition as made by the Id. AO and the appeal of assessee is allowed.

2204/KOL/2024 for A.Y. 2019-20

09. The issue raised in this appeal is similar to one as decided by us in ITA No. 2203/KOL/2024. Accordingly, our decision would apply mutatis



mutandis to this appeal of assessee in ITA No.2204/KOL/2024. Hence, the appeal of assessee in ITA No. 2204/KOL/2024 is allowed.

010. In the result, both the appeals of the assessee are allowed.

Order pronounced in the open court on 04.03.2025.

Sd/-
(SONJOY SARMA)
(JUDICIAL MEMBER)

Sd/-
(RAJESH KUMAR)
(ACCOUNTANT MEMBER)

Kolkata, Dated: 04.03.2025

Sudip Sarkar, Sr.PS

Copy of the Order forwarded to :

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

BY ORDER,

True Copy//

Sr. Private Secretary/ Asst. Registrar
Income Tax Appellate Tribunal, Kolkata