

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH, 'A': NEW DELHI**

**BEFORE SHRI VIMAL KUMAR, JUDICIAL MEMBER
AND
SHRI BRAJESH KUMAR SINGH, ACCOUNTANT MEMBER**

**ITA Nos.2647 & 2648/Del/2024
[Assessment Year: 2018-19]**

Bhagwan Instalments Ltd. E-75, Sector-50, Noida, Uttar Pradesh-201301	Vs	Income Tax Officer, Ward-2(3), Badayun-1, Uttar Pradesh-243601
PAN-AAACB8145L		
Assessee		Revenue

Assessee by	Shri Ajit Sharma, CA
Revenue by	Shri Ashish Tripathi, Sr. DR

Date of Hearing	24.03.2025
Date of Pronouncement	24.03.2025

ORDER

PER BRAJESH KUMAR SINGH, AM,

These two appeals by the assessee are directed against the two orders of National Faceless Appeal Centre, Delhi, dated 27.03.2024, arising out of assessment order u/s 143 r.w.s. 143(3A) & 143(3B) of the Act dated 01.03.2021 and penalty order u/s 270A of the Act dated 01.02.2022 both pertaining to Assessment Year 2018-19. Since, both appeals have common issues and therefore they were heard together and are disposed of by this common order.

ITA No.2647/Del/2024 (Quantum Appeal)

2. Grounds of appeal raised by the assessee in ITA No.2647/Del/2024 are as under:-

1. That having regard to the facts and circumstances of the case, Ld. CIT(A), NFAC, has erred in law and on facts in not quashing the impugned assessment order passed by Ld. AO and that too without assuming jurisdiction

2. That having regard to the facts and circumstances of the case Ld. CIT(A) has erred in law and facts in confirming the action of Ld.AO in making addition of Rs. 2,27,35,989/- on account of current year assessed income by disallowing written off bad debts on the ground that assessee has failed to produced details of debtors.

3. That having regard to the facts and circumstances of the case Ld.CIT(A) has erred in law and facts in confirming the action of Ld.AO that the double taxation of Income for Rs.62,30,241/- is without jurisdiction. The Ld.CIT(A) ought to have seen the draft assessment order passed by the Ld. AO where no such addition was made.

4. That having regard to the facts and circumstances of the case Ld.CIT(A) has erred in law and facts in confirming the action of Ld. AO that not considered the brought forward losses of past years in computation of current assessment year income is without jurisdiction. The Ld.CIT(A) ought to have seen the draft assessment order passed by the Ld. AO where no such addition was made.”

3. Brief facts of the case:- The assessee is a company and is engaged in hire purchase financing business and filed its return of income for the AY 2018-19 on 30.09.2018 declaring total income of Rs.NIL. The notice u/s 143(2) of the Act was issued on 28.09.2019, which was served through e-mail of the assessee at registered e-mail id of the assessee. Further, notice u/s 142(1) were issued on 06.12.2019 and 10.02.2021. In response, the assessee furnished copy of audited financial, ITR acknowledgment and computation of income on 09.01.2020. This case was selected for limited scrutiny to examine the business loss claimed by the assessee and the Assessing Officer noted that the assessee company

was engaged in the business of financing as per RBI guidelines. The Assessing Officer noted that the assessee had claimed a sum of Rs.2,27,35,989/- as claimed of loss on account of bad debts. The Assessing Officer asked the assessee to furnish the details in this regard, which was not submitted by the assessee and the Assessing Officer disallowed the said claim of loss on account of bad debts of Rs.2,27,35,989/- and added to the total income of the assessee.

4. Aggrieved with the said order, the assessee filed appeal before the Id. CIT(A). The Id. CIT(A) noted that there was a delay in filing the appeal. It was claimed before the Id. CIT(A) that the authorized person and Director of the assessee company got affected from Corona Virus and suffered brain stroke and therefore the appeal could not be filed in time. However, considering the said explanation, the Id. CIT(A) condoned the delay in filing of the appeal. Further, the Id. CIT(A) in very cryptic order, dismissed the appeal without adjudicating the merits of the case. Relevant finding of the Id. CIT(A) in concluding part in para-5 is reproduced as below:-

The Grounds of appeal, the facts and circumstances of the case, the submissions of the assessee and the case laws adduced have been carefully considered. There is no material on record to warrant interference with the order of the AO.

Grounds of appeal are accordingly dismissed.”

5. Against the above order, the assessee is in appeal before us.

6. During the hearing, the Id. Counsel for the assessee submitted that due to health condition of the Director, the necessary details could not be submitted before the Assessing Officer and requested that the matter may

be set-aside to the file of the Assessing Officer. In this regard, he filed a written submission, which is reproduced as below:-

To,
Hon'ble Bench - A
The Income Tax Appellate Tribunal
New Delhi -

dated :- 24.3.2025

In the matter of - Bhagwan Instalments Limited
ITA No. 2647/Del/2024
ITA No. 2648/Del/2024

Honible Sir

These are two Appeals which DDA Today i.e. 24.3.2025, Assessee could not respond of Notices dated (25-1-2024) & SCR due to Covid-19 & Medical health issue of main working Director of the Assessee-company. Because of Above Two reason's assessee also could not participate in Appeal Proceedings.

I request before your honor, send back the both case before DA & oblige.

with High Regards
Ajit Sharma
CA AJIT SHARMA

7. The Id. Sr. DR supported the orders of the authorities below.

8. We have heard both the parties and perused the material available on record. The explanation of the assessee for not furnishing the necessary details before the Assessing Officer is justified and reasonable.

Further, the Ld. CIT(A) has also not decided the matter on merits. In view of the above material facts and in the interest of justice, we set-aside the order of the Ld. CIT(A) and assessment order and restore the matter to the file of the Assessing Officer for *de novo* passing of the assessment order as per law. Needless to say the Assessing Officer will give proper opportunity to the assessee and pass the order in accordance with law.

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

ITA No.2648/Del/2024 (Penalty Appeal)

10. Since, we have already adjudicated the quantum appeal, in ITA No.2647/Del/2024 for Assessment Year 2018-19 and restored the issue to the file of the AO for *de-novo* assessment, therefore, the penalty order of the AO and the order of the ld. CIT(A) confirming the penalty order is also set-aside and restored to the file of the AO. The AO is directed to adjudicate the issue afresh in accordance with law after affording reasonable opportunity of being heard to the assessee.

11. Finally, both appeals of the assessee are allowed for statistical purposes.

Order pronounced in the open court on 24th March, 2025.

Sd/-
[VIMAL KUMAR]
JUDICIAL MEMBER

Dated 24.03.2025

Shekhar

Copy forwarded to:

1. Assessee
2. Respondent

Sd/-
[BRAJESH KUMAR SINGH]
ACCOUNTANT MEMBER

3. PCIT
4. CIT(A)
5. DR

Asst. Registrar,
ITAT, New Delhi,