

IN THE INCOME TAX APPELLATE TRIBUNAL PANAJI BENCH
PANAJI

BEFORE SHRI PAVAN KUMAR GADALE, JUDICIAL MEMBER &
SHRI G D PADMAHSHALI ACCOUNTANT MEMBER

I T A. Nos. 67/PAN/2019
(A.Y. 2015-16)

Late Shri Suresh C Angadi Represented by legal heir Mrs Mangal Suresh Angadi, No.4855/83,APMC Road, Sadashiv Nagar, Belagavi-590019, Karnataka.	Vs .	ITO-Ward-2(2), Civil Hospital Road, Belagavi-590001. Karnataka. .
PAN .No. ABKPA2478B		
(अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)

Assessee by	Shri.Shivanand Halbhavi.AR
Revenue by	Shri.Captain PradeepArya.Sr.DR

सुनवाई की तारीख/Date of Hearing	24.06.2025
घोषणा की तारीख/Date of Pronouncement	25.06.2025

ORDER

PER PAVAN KUMAR GADALE, JM:

The appeal is filed by the assessee against the order of CIT(A) Belagavi passed u/sec 143(3) and u/sec 250 of the Act. The assessee has raised the grounds of appeal challenging the order of the CIT(A) sustaining the disallowance of bad debts made by the Assessing Officer.

2. The brief facts of the case are that, the assessee is an individual and is engaged as commission agent in cement products. The assessee has filed the return of income for A.y.2015-16 on 27.09.2015 disclosing a total income of

Rs.4,71,390/-. The case was selected for scrutiny and notice u/sec 143(2) and u/sec142(1) of the Act was issued calling for details and information. In compliance, the Ld.AR of the assessee appeared from time to time and filed the requisite information and details. The Assessing Officer (AO) on perusal of the Audited Profit & Loss found that the assessee has debited Rs.35,68,140/- as bad debts in respect two parties (i) Vinay structures Rs.17,16,140/-and (ii)Pratham incorpn of Rs.18,52,000/- and clarification was sought from the assessee vide office letter dated 1.11.2017 and in compliance the assessee has filed information vide letters dated 6.11.2017&11.11.2017 mentioning the nature of claim, and substantiated the submissions with details of commission on supply of cement, account extracts and supply of cement as sub dealers, terms of contract and reasons for the claim. Whereas the A.O was not satisfied with the claim and disallowed the bad debts of Rs.35,68,140/- and assessed the total income of Rs.46,05,016/- and passed the order u/sec 143(3) of the Act dated 27.12.2017.

3. Aggrieved by the order, the assessee has filed an appeal before the CIT(A), whereas the CIT(A) has considered the grounds of appeal, statement of facts, submissions, provisions u/sec36(2) of the Act and findings of the A.O but sustained the disallowance of bad debts and dismissed the assessee appeal. Aggrieved by the order of

the CIT(A), the assessee has filed an appeal before the Hon'ble Tribunal.

4. At the time of hearing, the Ld.AR submitted that the CIT(A) has erred in confirming the action of the Assessing Officer overlooking the facts and submissions of the assessee in the proceedings. The Ld.AR also submitted that the CIT(A) having accepted the facts of agreement and claim could not be recovered from the parties has erred in sustaining the disallowance. Further the assessee has not recovered the amount from parties and the claim cannot be disputed. The Ld.AR substantiated the submissions with factual paper book and prayed for allowing the appeal.. Per Contra, the Ld.DR supported the order of the CIT(A).

5. We heard the rival submissions and perused the material on record. The sole crux of the disputed issue that the CIT(A) has erred in sustaining the action of the A.O. in respect of bad debts as the transactions are not completely supported with the documentary evidences and explanations. The Ld.AR emphasized that the assessee has submitted the details as called for by the authorities. The Ld.AR referred to page 76 of the paper book in respect of claim of bad debts against sales commission income in the profit & Loss account and at page 12 the Ld.AR demonstrated the ledger account extract of commission from vasavadatta cement and in particular in respect of two parties, the amount was debited and debit note is raised.

Further the evidences play a important role in decision making in the adjudicating proceedings. Therefore we considering the facts, circumstances, evidences and to meet the ends of justice, for limited purpose restore the disputed issue along with the evidences to the file of the Assessing Officer to adjudicate afresh on merits and the assessee should be provided adequate opportunity of hearing and shall cooperate in submitting the information. And, we allow the grounds of appeal of the assessee for statistical purposes.

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

Order pronounced in the open court on 25.06.2025.

Sd/-
(GD PADMAHSHALI)
ACCOUNTANT MEMBER

Panaji Dated: 25/06/2025

Sd/-
(PAVAN KUMAR GADALE)
JUDICIAL MEMBER

Copy of the Order forwarded to:

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

//True Copy//

BY ORDER,
(Asstt. Registrar)ITAT,
Panaji

		Date	<u>Initial</u>	
1.	Draft dictated on			PS
2.	Draft placed before author			PS
3.	Draft proposed & placed before the second member			PS
4.	Draft discussed/approved by Second Member.			PS
5.	Approved Draft comes to the Sr.PS/PS			PS
6.	Kept for pronouncement on			
7.	File sent to the Bench Clerk			
8.	Date on which file goes to the AR			
9.	Date on which file goes to the Head Clerk.			
10.	Date of dispatch of Order.			
11.	Dictation Pad is enclosed			