

**IN THE INCOME TAX APPELLATE TRIBUNAL
'B' BENCH : BANGALORE**

**BEFORE SHRI LAXMI PRASAD SAHU, ACCOUNTANT MEMBER
AND
SHRI SOUNDARARAJAN K., JUDICIAL MEMBER**

ITA No. 668/Bang/2025
Assessment Year : 2015-16

M/s. Stori Fashions Pvt. Ltd., Building No. 11, House of Stori, Bheemanhalli Village, Bidadi Hobli, Bengaluru – 562 109. PAN: AACCC1173B	Vs.	The Deputy Commissioner of Income Tax, Circle – 6(1)(2), Bengaluru.
APPELLANT		RESPONDENT

Assessee by	:	Shri Pankaj Mogra, CA
Revenue by	:	Shri Subramanian .S, JCIT-DR

Date of Hearing	:	09-06-2025
Date of Pronouncement	:	29-08-2025

ORDER

PER SOUNDARARAJAN K., JUDICIAL MEMBER

This is an appeal filed by the assessee challenging the order of Ld.Addl/JCIT(A)-2, Chandigarh dated 06/02/2025 in respect of the A.Y. 2015-16.

2. The brief facts of the case are that the assessee filed their return of income on 26.09.2015. Thereafter the case was taken up for scrutiny under CASS. The AO while making the scrutiny had found that there is a discrepancy in the closing stock mentioned in the stock register and the closing stock available with the Indus Ind Bank where the assessee had

availed the overdraft facilities. The AO treated the value of the difference as unaccounted investment and estimated the net profit at 1.75% and added the same to the income of the assessee. The assessee challenged the said order before the Ld.CIT(A). The Ld.CIT(A) had not accepted the argument of the assessee. On appeal, this Tribunal, relied on the order of the Ld CIT for the A/Y 2014-15, had remitted the appeal to the Ld CIT. The Ld CIT heard the appeal pursuant to the remand order of the Tribunal and issued hearing notices to the assessee for which there was no response from the assessee and therefore dismissed the appeal for the reason that the assessee had not furnished any supporting documentary evidence and submissions. The said order is under challenge before this Tribunal.

3. At the time of hearing, the Ld.AR submitted that the closing stock available as per the books of accounts are correct and the closing stock furnished before the bank authorities are inflated figures in order to get more overdraft facilities and therefore the said closing stock details available with the bank could not be compared with the regular stock statements and from that, the allegation of difference could not be made. The Ld.AR also furnished the copy of the order of the Tribunal in which this Tribunal had remitted the issue to the file of the Ld.CIT(A) for deciding the issue in the light of the order passed by the Ld.CIT(A) in respect of the A.Y. 2014-15. The Ld.AR therefore submitted that the ex-parte order of the Ld.CIT(A) without considering the said directions given by the Tribunal is liable to be set aside. The Ld.AR further submitted that the assessee company, in fact sought for an adjournment for filing the written submissions whereas the Ld.CIT(A) without considering the said request had passed an ex-parte order on 06/02/2025 and prayed an opportunity to place the materials before the Ld.CIT(A).

4. The Ld.DR relied on the orders of the lower authorities.

5. We have heard the arguments of both sides and perused the materials available on record.

6. The addition made by the AO based on the closing stock details available with the assessee and the Indus Ind Bank which was treated as unaccounted investments and out of which the net profit could not be estimated.

7. In the earlier round, this Tribunal had considered the issue and also the order of the Ld.CIT(A) for the A.Y. 2014-15 in which a similar issue came up for hearing and decided the issue in favour of the assessee and remitted the appeal to the Ld.CIT(A) to decide the appeal once again in the light of the order passed by him for the A.Y. 2014-15. The Ld.CIT(A) without considering the said directions and without considering the adjournment application filed by the assessee, had dismissed the appeal for non-prosecution. We do not find that the order of the Ld.CIT(A) is in accordance with the directions given by this Tribunal in ITA No. 2405/Bang/2018 vide order dated 25/07/2019. We are therefore inclined to set aside the ex-parte order of the Ld.CIT(A) and remit the same to his file for deciding the issue afresh in the light of the order passed by the Ld.CIT(A) in ITA No. 10335/CIT(A)-13/2017-18 dated 07/01/2020. We also direct the assessee not to take unnecessary adjournments and cooperate to complete the appeal at the earliest.

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

Order pronounced in the open court on 29th August, 2025.

Sd/-
(LAXMI PRASAD SAHU)
Accountant Member

Sd/-
(SOUNDARARAJAN K.)
Judicial Member

Bangalore,
Dated, the 29th August, 2025.
/MS /

Copy to:

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

By order

Assistant Registrar,
ITAT, Bangalore