

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

(HYBRID COURT)

**BEFORE SH. MANOJ KUMAR AGGARWAL, ACCOUNTANT MEMBER
AND SH. UDAYAN DASGUPTA, JUDICIAL MEMBER**

I.T.A. No. 238/Asr/2024
Assessment Year: 2016-17

Pankaj Automobiles Pvt. Ltd.,
G. T. Road, Moga-142001
Punjab

Vs.

Asstt. Commissioner of Income Tax,
Circle, Ferozepur

[PAN: AAGCP 6969A]

(Appellant)

(Respondent)

Appellant by	:	Sh. Ashray Sarna, C. A.
Respondent by	:	Sh. Jivandeep Singh Kahlon, CIT-D.R.
Date of Hearing	:	15.10.2025
Date of Pronouncement	:	27.11.2025

ORDER

Per Udayan Dasgupta, J.M.:

This appeal is filed by the assessee against the order of the Id. CIT(A) NFAC, Delhi dated 16.10.2023 passed u/s 250 of the Income Tax Act, 1961 which has emanated from the order of the AO, Circle, Ferozepur passed u/s 143(3) of the Act, dated 31.12.2018.

2. Grounds of appeal taken by the assessee in Form No. 36 are as under:

- “1. That, the orders passed by the Ld. Commissioner of Income Tax (Appeal) vide orders dated 16.10.2023 is illegal, uncalled for and against the law & facts.
2. That, the Ld. Commissioner of Income Tax (Appeal) has sustained the additions merely on conjectures and surmises without any legal basis.
3. That, the grounds of appeal raised with Ld. Commissioner of Income Tax (Appeal) is as follows: -
 - (i) That, order passed by the Assessing Officer vide order dated 31.12.2018 is illegal, uncalled for and against the Law.
 - 4 (ii) That, Assessing Officer has made disallowance of expenses and made addition merely on conjectures and surmises without any legal basis
 - 5 (iii) That, the Assessing Officer has wrongly disallowed the business expenses i.e. Bad Debts, loss claimed on account of Fire and Trade Discount while calculating the business loss without any legal basis which should be allowed as per law.
 6. (iv) That, the Assessing Officer has failed to appreciate the copy of account of both the persons from whom credit transactions of Rs. 80,00,000.00 has been made and which has been duly repaid in the succeeding year and is not unexplained cash credit as per section 68 of Income Tax Act, 1961. So, the additions of Rs. 80,00,000.00 made by the Assessing Officer is bad in law and must be deleted.
 - 7 (v) The assessee craves leave to argue on any other question of law and/or facts at the time of hearing of this appeal.”

3. **Condonation of delay:** It is pointed out by the registry that the appeal is filed belatedly by 127 (one hundred twenty-seven) days. The assessee has filed an affidavit

through one of its Director *Mr. Rajat Bansal* explaining the reasons for delay in filing of this appeal. It is submitted that the *late Dwarka Nath Bansal one of the Directors of the Company* expired on *14th November, 2019* and the other Director of the Company was totally unaware of the various ongoing proceedings of the assessee company before the Income Tax Authorities, and since the assessee company business was temporarily suspended since more than last 8 (eight) years and office of the company was physically closed after the death of *Mr. Dwarka Nath Bansal*, the papers and documents were also not traceable, and the order of the Id. CIT(A) has been passed ex-parte in absence of any compliance on the part of the assessee and subsequently, when the Director was informed regarding the dismissal of the appeal by the Id. first appellate authority, they have managed to appoint a new counsel by the help of whom this appeal has been filed before the Tribunal which is belated by 127 days.

4. Considering the above facts, the Director *Mr. Rajat Bansal* prayed for condonation of delay and for admitting the appeal for hearing on merits.
5. The Id. DR has no objection considering the factual aspect.
6. We have heard the counsel of the assessee and considered the affidavit filed by the Director and considering the reasons, we condone the delay and admit the appeal for hearing on merits.

7. Brief facts emerging from records are that the assessee company has filed a return declaring loss of *Rs.23.24 crores* which was selected for scrutiny under CASS and in absence of proper explanation by the assessee regarding (i) allowability of bad debts of *Rs.14.60 crores* debited to profit and loss account (ii) on account of unexplained sundry creditors amounting to *Rs.3.03 crores* (iii) on account of claim of loss of *Rs.1.44 crores* by fire and (iv) claim of unestablished trade discount of *Rs.1.33 crores*, the income has been assessed at reduced loss figures of *Rs.5.86 crores*.

8. The ld. first appellate authority has dismissed the appeal in limine without adjudicating the grounds of appeal on merits of the case in absence of any response or explanations to various notices issued in course of appellate proceedings.

9. Now, the assessee is before the Tribunal on the grounds contained in the memorandum of appeal contained in Form No. 36.

10. The ld. AR of the assessee submitted that the notices of hearing have not been received from the office of the ld. first appellate authority and it is evident from the appellate order that notices has been issued only on two occasions both in the department portal and the same has not been received by the assessee because no notice has been issued as per mail id stated in Form No. 35 gdsinghal_1974@yahoo.co.in.

11. As such, he has prayed for an opportunity of hearing for furnishing of documentary evidences and for furnishing of explanations in respect of this appeal.

12. The ld. DR relied on the order of the ld. CIT(A) but has no objection if the matter is remanded back to the ld. first appellate authority for consideration afresh.

13. We have heard the rival submissions and considered the materials on record and we find that even though notices has been issued in the department's portal, there is no evidence whether notices has been issued in the mail as per provided in Form No. 35. Moreover, the ld. CIT(A) has not adjudicated the grounds of appeal on merits of the case and has dismissed the appeal in *limine* in absence of documentary evidences filed before him.

14. As such, in the interest of justice, we remand the matter back to the files of the ld. first appellate authority to consider all the submissions made by the assessee which are on record and we also direct the assessee to furnish all documentary evidences and submissions and to properly explain the issues raised in the grounds of appeal to the satisfaction of the ld. first appellate authority.

15. The assessee shall be allowed reasonable opportunity of being heard.
16. We have not expressed any opinion on merits of the case and all legal issues are left open.
17. In the result, the appeal of the assessee is allowed for statistical purposes.

Order pronounced in accordance with Rule 34(4) of the Income Tax (Appellate Tribunal) Rules, 1963 as on 27.11.2025

Sd/-
(Manoj Kumar Aggarwal)
Accountant Member

Sd/-
(Udayan Dasgupta)
Judicial Member

GP/Sr.PS

Copy of the order forwarded to:

- (1) The Appellant:
- (2) The Respondent:
- (3) The CIT concerned
- (4) The Sr. DR, I.T.A.T

True Copy
By Order