

आयकर अपीलीय अधिकरण, कटक न्यायपीठ, कटक
IN THE INCOME TAX APPELLATE TRIBUNAL CUTTACK BENCH CUTTACK
(THROUGH VIRTUAL HEARING)

BEFORE SHRI DUVVURU R.L REDDY, VICE PRESIDENT (KZ)
AND
SHRI RAJESH KUMAR, ACCOUNTANT MEMBER

आयकर अपील सं/ITA Nos. 693 & 494/CTK/2025

(निर्धारण वर्ष / Assessment Year : 2020-2021)

Kapileswara Mining and Minerals Pvt Ltd., Plot No.783D, Jayadev Vihar, Bhubaneswar	Vs	DCIT-1(1), Bhubaneswar
PAN No. : AAECK 0654 P		
(अपीलार्थी / Appellant)	..	(प्रत्यर्थी / Respondent)
निर्धारिती की ओर से / Assessee by	:	Shri Niranjana Swain, AR
राजस्व की ओर से / Revenue by	:	Shri Vijaya Singh, Sr. DR
सुनवाई की तारीख / Date of Hearing	:	23 /12/2025
घोषणा की तारीख/Date of Pronouncement	:	23 /12/2025

आदेश / ORDER

Per Duvvuru R.R.Reddy, Vice President (KZ)

ITA No.693/CTK/2025 is an appeal filed by the assessee against the order dated 4.9.2025 passed by Id CIT(A), NFAC, Delhi in Appeal No.NFAC/2019-20/10288620 in the matter of assessment u/s.144 of the Act and ITA No.694/CTK/2025 is an appeal filed by the assessee against the order dated 9.9.2025 passed by Id CIT(A), NFAC in the matter of penalty u/s.270A of the Act for the assessment year 2020-2021.

2. Ld AR of the assessee submitted that the Id CIT(A) has passed the order exparte without affording reasonable opportunity to the assessee. It was the submission that the assessee has not received any notice from the Id. CIT(Appeals), therefore, he could not present the case before the Id.

CIT(Appeals). Ld AR submitted that even the assessment order has been passed considering the best judgment u/s.144 of the Act by making disallowance in respect of non-deduction of tax u/s.40(a)(ia) of the Act. Ld AR submitted that the assessee has the reconciliation of the amount of Rs.65,06,607/- in regard to interest paid to others and deducted the tax at source. He submitted that the assessee has already deducted TDS on the interest payment of Rs.8,89,564/- and there is no obligation to deduct tax at source on payment of Rs.41,97,513/- as interest on loan taken from banks and delay in deposit of ESI and PF and GST. It was the submission that the balance amount of interest of Rs.14,19,530/- paid for delay in deposit of TDS inadvertently taken as deduction which is not admissible as business expenses. Hence, the same is taken as income in computation. He submitted that this aspect has not been considered by the AO, therefore, prayed to remit the matter back to the file of the AO for further verification and adjudication.

3. On the other hand, Id. Departmental Representative submitted that there were several opportunities to the assessee but he failed to substantiate his case. Therefore, he pleaded to confirm the order passed by the Id. CIT(Appeals).

4. We have heard the rival submissions and perused the material available on record. The sole grievance of Id CIT(A) is that the assessee has not filed any explanation or documentary evidence in support of the claim. It was the submission that the assessee has the reconciliation of the amount of Rs.65,06,607/- in regard to interest paid to others and deducted the tax at source. He submitted that the assessee has already deducted TDS on the interest payment of Rs.8,89,564/- and there is no obligation to deduct tax at source on payment of Rs.41,97,513/- as interest on loan taken from banks and

delay in deposit of ESI and PF and GST. It was the submission that the balance amount of interest of Rs.14,19,530/- paid for delay in deposit of TDS inadvertently taken as deduction which is not admissible as business expenses. Hence, the same is taken as income in computation. If this reconciliation is taken into consideration, then, there will be no tax due from the assessee. Therefore, in the interest of natural justice, we are inclined to set aside the order passed by the Id. CIT(Appeals) and remit the matter back to the file of Id. CIT(Appeals) with a direction to provide one more opportunity of being heard to the assessee. At the same breath, we also hereby caution the assessee to promptly co-operate with the proceedings before the Ld. CIT(Appeals) failing which the Ld. CIT(Appeals) shall be at liberty to pass appropriate order in accordance with law based on the materials available on the record. The assessee is also directed to furnish the reconciliation statement as well as other materials to substantiate the case. Thus, the grounds raised by the assessee are allowed for statistical purposes.

5. In regard to ITA No.694/CTK/2025, it is also noticed that the Id CIT(A) has passed the exparte order confirming the penalty levied u/s.270A of the Act. As we have remitted the quantum issue to the file of the Id CIT(A) for fresh adjudication, the penalty order is also restored to his file for consideration after deciding the quantum appeal as per law.

6. In the result, both the appeals filed by the assessee stand partly allowed for statistical purposes.

Order dictated and pronounced in the open court on 23/12/2025.

Sd/-
(RAJESH KUMAR)
ACCOUNTANT MEMBER

Sd/-
(DUVVURU RL REDDY)
VICE PRESIDENT

दिनांक Dated 23/12/2025

b.k.Parida , Sr.P.S.(OS)

आदेश की प्रतिलिपि अग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant- Kapileswara Mining and Minerals Pvt Ltd., Plot No.783D, Jayadev Vihar, Bhubaneswar
2. प्रत्यर्थी / The Respondent- **DCIT-1(1), Bhubaneswar**
3. आयकर आयुक्त(अपील) / The CIT(A), Bhubaneswar
4. आयकर आयुक्त / CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, कटक / DR, ITAT, Cuttack
6. गार्ड फाईल / Guard file.

सत्यापित प्रति //True Copy//

आदेशानुसार/ BY ORDER,

(Assistant Registrar)

आयकर अपीलीय अधिकरण, कटक/ITAT, Cuttack