

**IN THE INCOME TAX APPELLATE TRIBUNAL  
“SMC” “C”BENCH: BANGALORE****BEFORE SHRI B. R. BASKARAN, ACCOUNTANT MEMBER**

ITA No.750/Bang/2020
Assessment Year: 2007-08

M/s. Dot I Network Pvt. Ltd. Door No.10-4-32E, Famous Commercial complex, Near City Bus Stand Udupi 576 102  <b>PAN NO : AADCD0311R</b>	<b>Vs.</b>	ITO Ward-1 Udupi
<b>APPELLANT</b>		<b>RESPONDENT</b>

<b>Appellant by</b>	:	N O N E
<b>Respondent by</b>	:	Shri Ganesh R. Ghale, Standing counsel for dept.

<b>Date of Hearing</b>	:	17.02.2022
<b>Date of Pronouncement</b>	:	17.02.2022

**O R D E R****PER B.R. BASKARAN, ACCOUNTANT MEMBER:**

The assessee has filed this appeal challenging the order dated 22.5.2020 passed by Ld. CIT(A), Manguluru and it relates to the assessment year 2007-08.

2. None appeared on behalf of the assessee, even though the case was adjourned on an earlier occasion, at the request of the A.R. of the assessee. However, I find that no power of attorney has been filed by the counsel who represented earlier. Hence, I proceed to dispose of the appeal ex-parte, without presence of the assessee.

3. I heard Ld. D.R. and perused the record. The grounds of appeal filed by the assessee relate to the following 3 issues:-

- a) Addition of advance from Directors - Rs.2,77,566/-
- b) Addition of Sundry creditors - Rs.6,57,336/-
- c) Addition of advance received from Director – Rs.1,00,000/-

4. I heard Ld. D.R. and perused the record. The assessee is engaged in the business of trading in business. Before formation of the assessee company, the business was carried on by a partnership firm with Dot Network. The business was continued in the partnership firm up to 31.10.2006. From 1.11.2006 onwards, the business of the partnership firm was taken over by the assessee company along with the assets and liabilities.

5. In respect of all these issues, I notice that the assessee has filed additional documents before Ld. CIT(A) and hence the Ld. CIT(A) called for a remand report from the A.O. However, it appears that the assessee did not respond in the remand proceedings and hence he could not furnish any credible remand report. Accordingly, the Ld. CIT(A) confirmed the additions rejecting the explanations furnished by the assessee before him.

6. The Ld. D.R. submitted that one of the reasons cited by the Ld. CIT(A) is that the documentary evidence furnished by the assessee was not signed by the concerned parties. I notice that the assessee has filed a paper book wherein the ledger account of creditors has been signed by the concerned parties. When this was pointed out, the Ld. D.R. submitted that all these issues may be restored to the file of the Ld. CIT(A) for adjudicating the issues afresh. He also submitted that the assessee should also be directed

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to cooperate with the Ld. CIT(A), if remand report is called for by Ld. CIT(A). He also submitted that the assessee should be imposed cost for not cooperating with the A.O. during remand proceedings.

7. I heard Ld. D.R. and perused the record. Having regard to the discussions made (supra), in the interest of natural justice, I am of the view that the assessee may be provided with one more opportunity to explain its case before Ld. CIT(A). Since the assessee has not cooperated before the A.O. during remand proceedings, I impose a cost of Rs.1,000/- upon the assessee, which shall be paid to the credit of Income Tax department as "other fees" within 2 months from the date of receipt of this order.

8. Accordingly, subject to the payment of above said cost, I set aside the order passed by Ld. CIT(A) and restore all the issues to his file for examining them afresh. I also direct the assessee to fully cooperate with the Ld. CIT(A) for expeditious disposal of the appeal.

9. In the result, the appeal filed by the assessee is treated as allowed for statistical purposes.

Order pronounced in the open court on 17<sup>th</sup> Feb, 2022

**Sd/-**  
**(B.R. Baskaran)**  
**Accountant Member**

Bangalore,  
Dated 17<sup>th</sup> Feb, 2022.  
VG/SPS

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Copy to:

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

By order

**Asst. Registrar,  
ITAT, Bangalore.**