आयकर अपीलीय अधिकरण, बेंगलुरू पीठें, बेंगलुरू
INCOME TAX APPELLATE TRIBUNAL,
BANGALORE BENCHES, BANGALORE
BENCH: A

BEFORE SHRI WASEEM AHMED, ACCOUNTANT MEMBER
AND

SHRI SOUNDARARAJAN K., JUDICIAL MEMBER

ITA 1738/BANG/2025 निर्धारण वर्ष/**Assessment Year: 2018-19)**		
M/s. Bharath Gold Mines Ltd., Suvarna Bhavan, Smith Road, Oorgaum Post, Kolar – 563 120. Karnataka.	Vs.	The Deputy Commissioner of Income Tax, Circle – 4(1)(1), Bangalore.
अपीलार्थी **Appellant**		प्रत्यर्थी **Respondent**
Permanent Account Number of Assessee:		**AAACB4253F**
अपीलार्थी द्वारा/Appellant represented by:		Shri R. Chandrashekhar, Advocate
प्रत्यर्थी द्वारा/Respondent represented by:		Shri. Shivanand H Kalakeri, CIT-DR

सुनवाई की तारीख / Date of conclusion of hearing:	**27-05-2026**
घोषणा की तारीख / Date of pronouncement:	**04-08-2026**

आदेश / ORDER

PER SHRI SOUNDARARAJAN K., JUDICIAL MEMBER:

This is an appeal filed by the assessee challenging the order of the NFAC, Delhi dated 04/11/2024 in respect of the A.Y. 2018-19.

2. The brief facts of the case are that the assessee is a company and filed their return of income on 01/10/2018. The case was selected for limited scrutiny to examine the issue of business loss as well as the investment /

advances / loans. Notice u/s. 143(2) was issued and thereafter notice u/s. 142(1) was also issued seeking the various details. The assessee also filed their response and also furnished the details and based on that, the AO had found that penalty, interest expenses and security services were deducted in the P&L account and therefore sought for the explanation. The assessee explained that the penalty is nothing but the amount paid on the outstanding amount due to the Government of India and similarly, the interest expenses are also the interest expenses on the loan granted by the Government of India. The assessee also explained that the security service charges were also incurred to safeguard the property of the assessee. The AO not satisfied with the explanations and also because of the non-furnishing of the material documents, had disallowed the said amounts and made the addition to the returned income.

3. As against the said order, the assessee filed an appeal before the Ld.CIT(A) and contended that the expenses are not to be disallowed and also it should not be added as income. The Ld.CIT(A) had issued hearing notices to the assessee but the assessee had not appeared before the Ld.CIT(A) and therefore the Ld.CIT(A) had decided the appeal based on the available records and found that the order of the AO is in order and dismissed the appeal filed by the assessee.

4. As against the said ex-parte order, the assessee is in appeal before this Tribunal with a delay of 185 days and enclosed an affidavit to condone the said delay. In the said application, the Officer on Special Duty of the assessee submitted that the appeal before the Ld.CIT(A) was filed when one Mr. Shashi Ranjan was the Director, Officer on Special Duty who was in-charge of assessee company and later on, on 29/11/2024, he passed away and therefore the appeal order was not known to the present incumbent so that the appeal could not be filed in time. It was further stated that the assessee company is a defunct company and does not have staff of its own and the staff working are either on deputation or on loan basis from Geological Survey of India and therefore, the order of the Ld.CIT(A) was not brought to the knowledge of the present incumbent. It was further submitted that the present Officer on Special Duty joined on 05/12/2024 and he has no knowledge about the appeal filed by the assessee and only when a penalty notice was issued on 09/06/2025, the assessee came to know about the disposal of the appeal by the Ld.CIT(A). Thereafter, steps were taken and the appeal was finally filed on 04/08/2025 with a delay of 185 days and therefore prayed that the said delay may be condoned and the appeal may be heard on merits.

5. We have considered the reasons given in the delay condonation application and we are satisfied that there are valid reasons for filing the appeal with a delay and therefore we condone the said delay and proceeded to adjudicate the appeal on merits.

6. At the time of hearing, the Ld.AR submitted that the assessee is a Government of India company and because of the heavy losses incurred, the mining activities are stopped and therefore the assessee was not able to furnish the documents before the AO and prayed that an opportunity may be granted to furnish the details. The Ld.AR also filed two paper books on 06/01/2026 and on 02/04/2026 enclosing the various documents and submitted that the company's books of accounts are audited and the annual report was also furnished to show that the accounts maintained by the assessee are in order. The Ld.AR also in the second paper book furnished the various proceedings to show that the government has granted various grants in aid and therefore prayed that an opportunity may be granted. The Ld.AR also submitted that the reasons stated in the delay condonation application will apply to the non-appearance of the assessee before the Ld.CIT(A) and therefore prayed an opportunity to furnish the various documents. The Ld.AR also explained the present status of the assessee company which was managed by the Officer on Special Duty from the other company and also the staffs are drawn from the other companies and therefore a lenient view may be taken and the matter may be remitted to the file of the AO for fresh consideration.

7. The Ld.DR submitted that the assessee had not furnished the documents as requested by the AO and also not appeared before the Ld.CIT(A) and therefore the order of the lower authorities are in order and prayed to dismiss the appeal.

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

9. We have considered the present circumstances under which the company is in existence and also the reasons for not producing the records before the AO. In fact, the assessee is now furnishing the various documents about the grants in aid granted by the Government of India and also the details about the various loans granted by the government and also the 46th Annual Report before us which was not produced before the AO at the time of assessment. The reasons given by the assessee for not producing the records before the AO is that no proper staffs are available after the company became defunct and therefore even though the assessee is a government company and also all the details are available, the records could not be produced before the AO, seems to be a genuine reason. We have also considered the reasons for not appearing before the Ld.CIT(A) and satisfied that the assessee is having valid reasons for non-appearance before the Ld.CIT(A). There is also no contra evidences available to show that the company is not diligently followed up the assessment as well as appellate proceedings. In such circumstances, we are of the view that one more opportunity may be granted to the assessee to furnish all the documents in support of their claim before the AO. We, therefore, set aside the orders of the lower authorities and remit this issue to the file of the AO for fresh consideration. We also direct the assessee to cooperate with the department and complete the assessment as expeditiously as possible.

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

Order pronounced in the open court on 04th August, 2026.

Sd/-	**Sd/-**
WASEEM AHMED	**SOUNDARARAJAN K.**
ACCOUNTANT MEMBER	**JUDICIAL MEMBER**

Bangalore,
Dated: 04th August, 2026.

Copy to:

1	M/s. Bharath Gold Mines Limited, Suvarna Bhavan, Smith Road, Oorgaum post, Kolar-563120, Karnataka.
2	The Deputy Commissioner of Income Tax, Circle-4(1)(1), BMTC Building, Koramangala, Bangalore-560034, Karnataka.
3	The PCIT / CIT,
4	The D.R., ITAT, Bangalore Bench

BY ORDER

ASSISTANT REGISTRAR,
I.T.A.T., BANGALORE.