

## **Disallowance made without considering submissions of assessee requires matter to be remanded back: ITAT**

**Summary – The Indore ITAT in a recent case of Vinita Devi Bagrodia, (the Assessee) held that disallowance made without considering submissions of assessee requires matter to be remanded back**

### **Facts**

- The assessee earned dividend income on shares and securities held as stock in trade and claimed this income as exempt on ground that it was incidental to its trading activity and it had not incurred any expenditure for earning said income.
- The Assessing Officer however made disallowance towards expenses attributed to earning of dividend income.
- On appeal, the assessee submitted that the Assessing Officer had not examined the correctness of the claim. However, the Commissioner (Appeals) confirmed the addition made by the Assessing Officer.
- On appeal to the Tribunal:

### **Held**

- The ITAT on examination of the facts found that the Commissioner (Appeals) had not considered the submissions of the assessee since the assessee had explained the reasons why the earning of dividend income was incidental to his business income. The ITAT therefore remanded the matter to the file of the Commissioner (Appeals) to decide after considering the submissions of the assessee.
- In the result, the appeal filed by the assessee is allowed for statistical purposes.