

IN THE INCOME TAX APPELLATE TRIBUNAL
HYDERABAD BENCH "B", HYDERABAD

BEFORE SMT. P. MADHAVI DEVI, JUDICIAL MEMBER
AND
SHRI A. MOHAN ALANKAMONY, ACCOUNTANT MEMBER

ITA No.1985/Hyd/2017		
Assessment Year: 2007-08		
Vinod Ranka, Secunderabad-500 087. PAN: ABGPR 8903 C	Vs.	Income Tax Officer, Ward-10(1), Hyderabad.
(Appellant)		(Respondent)
Assessee by:	Sri Sunil Kumar Jain	
Revenue by:	Sri Sunil Kumar Pandey, DR	
Date of hearing:	29/01/2020	
Date of pronouncement:	11/06/2020	

ORDER

PER A. MOHAN ALANKAMONY, AM.:

This appeal is filed by the assessee against the order of the Ld. CIT(A)-9, Hyderabad in appeal No. 0279/ITO, Ward-10(1)/2015-16, dated 17/07/2017 passed U/s. 143(3) r.w.s 250(6) of the Act for the A.Y. 2007-08.

2. The assessee has raised 2 grounds in his appeal and they are summarised herein below for adjudication:

- (i) The Ld. CIT (A) has erroneously upheld the order of the Ld. AO who had made addition of Rs. 5,90,988/- invoking the provisions of section 68 by stating that the assessee has not

furnished confirmation letter from loan creditors and sundry creditors.

- (ii) The Ld. CIT (A) has erroneously upheld the order of the Ld. AO who had made addition of Rs.5,31,490 by stating that the assessee had failed to produce evidence towards commission expenditure claimed as deduction.

3. The brief facts of the case are that the assessee is an individual engaged in the business of wholesale trading in chemicals under the name and style of M/s. Classic Chemicals Company. The Assessee filed return of income for the relevant assessment year on 22/10/2007 admitting his total income of Rs. 4,22,160. Initially the return was processed U/s. 143(1) of the Act. Subsequently, the case was taken up for scrutiny under CASS and the assessment was completed on 30/11/2009 wherein the Ld. AO made several additions amongst which was one of the addition was towards unexplained loans of Rs.5,90,988 invoking the provision of section 68 of the Act and the other addition being unexplained expenditure incurred amounting to Rs. 5,31,490 towards commission paid for which bills & vouchers were not produced.

4. At the outset, the Ld. AR submitted that one more opportunity may be provided to the assessee to substantiate his claim because all the required materials are now available with the assessee. The Ld. AR further pleaded that the aforesaid unsecured creditors and expenditure

incurred by the assessee are genuine and if the addition is sustained great injustice will be cast on the assessee. He further submitted that the assessee is a petty trader and the addition made if sustained will jeopardise the business of the assessee. Hence, he pleaded that the matter may be remitted back to the file of the Ld. AO so that the assessee shall be able to furnish all the requisite documents before the Ld. AO to justify his claim. The Ld. DR on the other hand vehemently opposed the submission of the ld. AR and pleaded for sustaining the order of the Ld. Revenue Authorities.

5. We have heard the rival submission and carefully perused the materials on record. From the order of the Ld. AO and the Ld. CIT (A) it is apparent that the assessee has not produced any evidence to justify the transactions made by the assessee. However, considering the plight of the assessee and his assurance to produce the relevant documents before the Ld. Revenue Authorities if provided with one more opportunity, in the interest of justice, we hereby remit the matter back to the file of Ld. AO with directions to admit any fresh evidence furnished by the assessee and thereafter pass appropriate order in accordance with merit and law after considering the evidence furnished by the assessee. We also direct the assessee to promptly co-operate before the Ld. Revenue Authorities in their proceedings, failing which the Ld. Revenue Authorities shall be at liberty to pass appropriate orders based on the materials before them.

6. Before parting, it is worthwhile to mention that this order is pronounced after 90 days of hearing the appeal which is though against the usual norms, we find it appropriate, taking into consideration of the extra-ordinary situation in the light of the lock-down due to Covid-19 pandemic. While doing so, we have relied in the decision of Mumbai Bench of the Tribunal in the case of DCIT vs. JSW Ltd. In ITA No.6264/M/2018 and 6103/M/2018 for AY 2013-14 order dated 14th May, 2020.

7. In the result, appeal of the assessee is allowed for statistical purposes.

Pronounced in the open Court on 11th June, 2020.

Sd/-
(P. MADHAVI DEVI)
JUDICIAL MEMBER

Sd/-
(A. MOHAN ALANKAMONY)
ACCOUNTANT MEMBER

Hyderabad, Dated: 11th June, 2020

OKK

Copy to:-

- 1) Vinod Ranka, 1-8-73, 473, Jawahar Nagar Colony, P.G. Road, Secunderabad – 500 087.
- 2) Income Tax Officer, Ward-10(1), Hyderabad.
- 3) The CIT(A)-9, Hyderabad.
- 4) The Principal Commissioner of Income Tax-6, Hyderabad.
- 5) The DR, ITAT, Hyderabad
- 6) Guard File

