

**IN THE INCOME TAX APPELLATE TRIBUNAL
HYDERABAD BENCHES "B" : HYDERABAD**

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

I.T.A. No. 517/HYD/2018
Assessment Year: 2013-14

Mishra Polypacks Pvt. Ltd.,
HYDERABAD

Income-tax Officer,
Vs Ward – 16(4), Hyderabad.

PAN – AADCM 4273 F

(Appellant)

(Respondent)

For Assessee : Shri S. Rama Rao &
Smt. Sandhya

For Revenue : Shri Rajat Mitra

Date of Hearing : 15-09-2020

Date of Pronouncement : 29-09-2020

ORDER

PER Smt. P. MADHAVI DEVI, J.M. :

This is an assessee's appeal for the AY.2013-14 against the order of the Commissioner of Income Tax (Appeals)-4, Hyderabad, dated 22-12-2017.

2. Brief facts of the case are that the assessee-company which is in the business of trading of iron, steel, stainless steel, iron scrap, HDPE/PP bags, gunny bags etc., filed its return of income for the AY 2013-14 on 25/09/2013 admitting an income of Rs.

31,69,608/-. During the assessment proceedings u/s 143(3) of the IT Act pursuant to selection of return of income for scrutiny u/s CASS, the assessee was asked to furnish details of the loans taken by the assessee such as the address, confirmation, copy of ITRs, capital account, ledger account, bank account statement and mode of receipt of loans from the parties during the year 2012-13 relevant to AY under consideration to cross verify the genuineness of the transactions. The assessee furnished certain details but did not furnish information in respect of 7 creditors to the tune of Rs. 34,45,000/-. Subsequently, the assessee furnished confirmation of only three parties, but, the AO was not satisfied with regard to creditworthiness and the genuineness of the transactions with all the confirmations submitted by the assessee and, therefore, brought the sum of Rs. 34,45,000/- to tax as unexplained credits u/s 68 of the Act.

3. Aggrieved, the assessee preferred an appeal before the CIT(A), who dismissed the appeal of the assessee on the ground that the assessee did not appear and also did not furnish the information called for. Against this order of the CIT(A), the assessee is in appeal before the Tribunal by raising the following grounds of appeal:

1) The order of the learned CIT(A) is erroneous to the extent it is prejudicial to the appellant.

2) The learned CIT(A) erred in confirming the addition of Rs.34,45,000/- made by the Assessing Officer by applying the provisions u/s 68 of the I.T. Act.

3) The learned CIT(A) ought to have provided an opportunity for furnishing the letters of confirmation as some of the persons are staying in Bihar and there was delay in obtaining the letters of confirmation.

4) The learned CITA) erred in confirming charging interest u/s 234B of Rs. 4,23,000/-

5) Any other ground or grounds that may be urged at the time of hearing.”

4. This case was taken up for hearing on 15/09/2020 through video conferencing and both the parties were heard.

5. Before us, the Id. Counsel for the assessee submitted that the assessee can produce confirmations and other details of the relevant parties before the Tribunal and sought an opportunity to submit the same. The Id. DR submitted that the assessee has not submitted any details even before the AO or CIT(A).

6. Having regard to the rival submissions and perusing the material on record, we find that the assessee except for making the submission and filing the confirmations of 3 parties, could not furnish confirmations from the other parties and also the creditworthiness and genuineness of the transaction was not proved before the authorities below. However, the CIT(A) has confirmed the assessment order on the ground that the assessee

did not appear before him and has not passed a speaking order on the merits of the issue. Therefore, the issue needs to be set aside to the file of the CIT(A). However, since the assessee prays for an opportunity to file the details, and the details so filed would have to be verified, we deem it fit and proper to remit the issue to the file of the AO with a direction to decide the issue on merits in accordance with law after providing sufficient opportunity of hearing to the assessee. The assessee is directed to file the relevant information before the AO to substantiate its case and cooperate with the AO for early completion of the assessment.

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

Order pronounced in the open court on 29th September, 2020

**Sd/-
(A. MOHAN ALANKAMONY)
ACCOUNTANT MEMBER**

**Sd/-
(P. MADHAVI DEVI)
JUDICIAL MEMBER**

Hyderabad, Dated: 29th September, 2020

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Copy to :

- 1. Mishra Polypacks Pvt. Ltd., H.No. 2-3-671, Azadnagar, Amberpet, Hyderabad.*
- 2. ITO, Ward – 16(4), IT Towers, AC Guards, Hyderabad.*
- 3. CIT(Appeals) - 4, Hyderabad.*
- 4. The Pr.CIT - 4, Hyderabad.*
- 5. D.R. ITAT, Hyderabad.*
- 6. Guard File.*