

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

**BEFORE SMT. P. MADHAVI DEVI, JUDICIAL MEMBER
AND
SHRI A. MOHAN ALANKAMONY, ACCOUNTANT MEMBER
(THROUGH VIRTUAL CONFERENCE)**

I.T.A. Nos. 1748, 1749, 1750 and 1751/HYD/2016
Assessment Years: 2005-06, 2007-08, 2008-09 & 2009-10

Prefect Knitters Ltd., Rep. by GTN
Engg. (India) Ltd. after Merger,
Hyd. Vs Asst. Commissioner of
Income-tax, Circle – 16(3),
Hyderabad.

PAN – AABCP 4066H
(Appellant) (Respondent)

For Assessee : Shri M.V. Anil Kumar
For Revenue : Shri Sandeep Kumar Mehta

Date of Hearing : 19-10-2020
Date of Pronouncement : 20-10-2020

ORDER

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

These are the appeals of the assessee for AYs 2005-06, 2007-08 to 2009-10 against separate orders of CIT(A) – 4, Hyderabad, 07/10/2016 for the respective assessment years.

2. The brief facts as taken from AY 2005-06 are that the assessee company engaged in the business of manufacture of cotton knitted garments and also trading in garments & yarn, filed its return of income for the AY 2005-06 on 28/10/2005

admitting total income at Rs. 2,43,47,400/-. During the assessment proceedings u/s 143(3) r.w.s. 147 of the IT Act, the AO observed that the assessee has taken foreign currency loans and has debited foreign exchange gain/loss to the P&L Account. The AO observed that the said loans were taken for acquisition of fixed assets and therefore the amount of foreign exchange gain/loss charged to P&L Account is to be disallowed. He, accordingly, brought it to tax.

3. Aggrieved, the assessee preferred an appeal before the CIT(A), who confirmed the assessment order by observing that the assessee has not filed any details before her. Against the order of the CIT(A), the assessee is in appeal before us.

4. The Id. counsel for the assessee submitted that the assessee has filed details of the loan as additional evidence before her and prayed for the remand of the appeal to the file of CIT(A) for de-novo consideration.

5. The Id. DR had no objection to the submission of Id. counsel for the assessee.

6. After considering the submissions of both the counsels, we deem it fit and proper to remand the issue to the file of the CIT(A)

with a direction to reconsider the issue taking into consideration the additional evidence filed by the assessee and decide the same in accordance with law after providing fair opportunity of being heard to the assessee.

7. As regards the other appeals for AYs 2007-08 to 2009-10, the issue is only against the disallowance of additional depreciation as claimed by the assessee. In all these appeals, we find that the CIT(A) has dismissed the appeals ex-parte, for non-appearance of the assessee.

8. The Id. counsel for the assessee prayed for remand of the issue to the file of the CIT(A) for a decision on merits. Though, Id. DR objected to the remand to the file of the CIT(A), we are of the view that since the CIT(A) has not disposed of these appeals on merits, the appeals need to be remanded for adjudication of the issue on merits. Therefore, we deem it fit and proper to remand these appeals also to the file of the CIT(A) with a direction to dispose of these appeals on merits and in accordance with law after providing fair opportunity of being heard to the assessee.

9. In the result, all these appeals of the assessee are treated as allowed for statistical purposes.

Order pronounced in the open court on 20th October, 2020.

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

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

Hyderabad, Dated: 20th October, 2020.
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Copy to :

- 1. Perfect Knitters Ltd., C/o. M. Anandam & Co., CAs, 7A,
Surya Towers, SD Road, Scunderabad – 500 003.*
- 2. ACIT – 16(3), Hyderabad.*
- 3. CIT(Appeals) - 4, Hyderabad.*
- 4. The Pr.CIT - 4, Hyderabad.*
- 5. D.R. ITAT, Hyderabad.*
- 6. Guard File.*