

**IN THE INCOME TAX APPELLATE TRIBUNAL
VISAKHAPATNAM BENCH, VISAKHAPATNAM**
(Through web-based video conferencing platform)

**BEFORE SHRI V. DURGA RAO, HON'BLE JUDICIAL MEMBER &
SHRI D.S. SUNDER SINGH, HON'BLE ACCOUNTANT MEMBER**

**I.T.A. No. 223/VIZ/2019
(Asst. Year : 2013-14)**

Smt. Madamanchi Sivakumari, vs. ITO, Ward-2(1),
D.No. 24-1-163, Gandhipet, Guntur.
Chilakaluripet, Guntur.

PAN No. BGMPM 4834 K
(Appellant)

(Respondent)

Assessee by : Shri I. Kama Sastry, CA.

Department By : Shri B.Rama Krishna, Sr.DR

Date of hearing : 25/11/2020.

Date of pronouncement : 26/11/2020.

ORDER

PER V. DURGA RAO, JUDICIAL MEMBER

This appeal by the assessee is directed against the order of Commissioner of Income Tax (Appeals)-1, Guntur, dated 29/03/2016 for the Assessment Year 2013-14.

2. The assessee has raised the following grounds of appeal:

- "1. *The Ld. Commissioner of Income-tax (Appeals) is not justified in refusing to admitting evidences produced before him though all the evidences are in support of facts already on record of the assessee for the earlier assessment year and also based on third party statements and confirmations.*
2. *The Ld. AO is not justified in making additions and the Ld. CIT(Appeals) is not justified in confirming the same with respect*

to items other than unsecured loans of Rs.16,56,000/- as the assessment is selected for scrutiny under CASS for verification of unsecured loans only.

- 3. The Ld. AO is not justified in making an addition and the Ld. CIT(Appeals) is not justified in confirming the addition of Rs.16,56,000/- towards unsecured loans though all the loans are previous assessment year closing balances and current assessment year opening balances.*
- 4. The Ld. AO is not justified in making an addition and the Ld. CIT (Appeals) is not justified in confirming the addition of Rs.18,49,137/- being trade creditors reflected in the Balance Sheet of the assessee.*
- 5. The Ld. AO is not justified in making an addition and the Ld. CIT (Appeals) is not justified in confirming the addition of Rs.2,98,114/- being provision made towards various expenses (as per the balance sheet) which also include opening balances of earlier years and disallowed in earlier years.*
- 6. The Ld. AO is not justified in disallowing and the Ld. CIT (Appeals) is not justified in confirming the disallowance of Rs.2900/- being taxes paid are payable.*
- 7. The Ld. AO is not justified in disallowing and the Ld. CIT (Appeals) is not justified in confirming the disallowance of Rs.8,57,094/- being interest on Andhra Bank credit facilities extended to the assessee.*
- 8. All the above grounds of appeal are mutually exclusive and without prejudice to one another.*
- 9. The appellant craves leave to add to, amend, alter, modify or delete all or any of the above grounds of appeal."*

3. Facts of the case in brief are that assessee is in the business of trading cotton, filed her return of income admitting total income of Rs. 3,77,050/-. The case of the assessee was selected for scrutiny under CASS to verify unsecured loans from persons who have not filed return of income. The AO has issued notice as per law and subsequently asked the assessee to produce books of account, bills and other information. The assessee did not respond, therefore, assessment was completed u/sec. 144 of the

Income Tax Act, 1961 (hereinafter referred to as 'Act') dated 29/03/2016.

- 4.** On appeal, Id. CIT(A) confirmed the order of the AO.
- 5.** Aggrieved by the order of the Id. CIT(A) the assessee is in appeal before this Tribunal.
- 6.** It is submitted before us that the assessee could not appear before the AO, however, she filed all the details before the Id.CIT(A) and submitted that same may be admitted and called the remand report from the AO however Id. CIT(A) rejected the same. Ld.AR submitted that additional evidence filed by the assessee may be admitted and remit the matter back to the AO for fresh consideration.
- 7.** On the other hand, Id.DR has submitted that AO has given as many as opportunities, but assessee has not responded to the same, therefore orders of the authorities below may be upheld and dismiss the appeal of the assessee.
- 8.** We have heard both the sides, perused the material available on record and orders of the authorities below.
- 9.** It is a fact that the assessee has not filed the details before the AO, however before the Id. CIT(A) the assessee filed paper book and submitted that additional evidence may be admitted u/sec. 46A of the IT Rules, but Id. CIT(A) rejected the same and

confirmed the order of the AO. We find that there is negligence on the part of the assessee to file the details before the AO, however, in the interest of justice and by following the principles of the natural justice one more opportunity should be given to the assessee. Before us, Id.AR also assured that assessee will appear before the AO and file all the relevant details. In view of the above, we are of the opinion that one more opportunity should be given to the assessee to substantiate her case before the AO. Therefore, we set aside the order of the Id. CIT(A) and remit the matter back to the file of the AO to adjudicate the matter by considering the paper book filed by the assessee *denovo* in accordance with law. The assessee is directed to file paper book before the AO without fail.

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

Order Pronounced in open Court on this 26th day of Nov., 2020.

Sd/-
(D.S. SUNDER SINGH)
Accountant Member

sd/-
(V. DURGA RAO)
Judicial Member

Dated: 26th November, 2020.

vr/-

Copy to:

1. *The Assessee – Smt. Madamanchi Sivakumari, D.No. 24-1-163, Gandhipet, Chilakaluripet, Guntur.*
2. *The Revenue – ITO, Ward-2(1), Guntur.*
3. *The Pr.CIT, Guntur.*
4. *The CIT(A)-1, Guntur.*
5. *The D.R., Visakhapatnam.*
6. *Guard file.*

By order

(VUKKEM RAMBABU)
Sr. Private Secretary,
ITAT, Visakhapatnam.