

**IN THE INCOME TAX APPELLATE TRIBUNAL
HYDERABAD BENCHES : BENCH "A" HYDERABAD**

(Through Video Conference)

**BEFORE SHRI S.S. GODARA, JUDICIAL MEMBER
AND
SHRI L.P. SAHU, ACCOUNTANT MEMBER**

**I.T.A. No. 196/Hyd./2019
Assessment Year : 2013-14**

M/s Kalyani Refineries Ltd.
Hyderabad

vs. ITO , Ward 2(1)
Hyderabad

[PAN: AAACK4429N]

(Appellant)

(Respondent)

For Assessee: Shri P. Murali Mohan Rao, AR
For Revenue: Shri Sunil Kumar Pandey, D.R.

Date of Hearing : 24/02/2021
Date of Pronouncement : 21/05/2021

ORDER

PER S.S. GODARA, J.M.

This assessee's appeal for AY 2013-14 arises from CIT(A)-2 Hyderabad's order dated 04.12.2018 passed in case no. 10058/2016-17 involving proceedings u/s 143(3) of the Income Tax Act, 1961 for short 'the Act'.

Heard both the parties. Case file perused.

2. We notice at the outset that the assessee's sole substantive grievance raised in the instant appeal challenges correctness of both lower authorities action treating unsecured loan of Rs.6,40,000/- as unexplained cash credits u/s 68 of the Act. The Assessing officer's assessment order dated 24.3.2016

held that neither the assessee could produce confirmation nor could it prove identity of the creditor parties. The CIT(A) has also upheld the Assessing officer's action.

3. We have given our thoughtful consideration to rival contentions. It emerged during the course of hearing that the impugned sum represents Rs.4,00,000/- and Rs.2,40,000/- from Dr. VV Subba Rao and Smt VV Kalyani whose returns of income, PANs, ledger accounts already form part of the records before the CIT(A). And also that the said two creditor parties are family members of the assessee's /promoter's family only. We conclude in this view of the fact that such kind of unsecured loans coming from the directors or promoter's family members involving smaller amounts cannot be altogether ruled out and more so when the Assessing Officer before us has simply brushed aside all the corresponding details after alleging that assessee had not even proved identity of the loan creditors. We, therefore, hold that both the lower authorities have erred in law and on facts in making the impugned unexplained cash credit addition of Rs.6,40,000/-. The same is directed to be deleted.

4. This assessee's appeal is allowed.

Pronounced in Open Court on 21st May, 2021.

Sd/-

(L.P. SAHU)
ACCOUNTANT MEMBER

Sd/-

(S.S. GODARA)
JUDICIAL MEMBER

Dated: the 21st May, 2021.

* gmV

Copy of the Order forwarded to:

1. M/s Kalyani Refineries Ltd., C/o P Murali & Co., Chartered Accountants, 6-3-655/2/3, Somajiguda, Hyderabad 500 082.
2. ITO, Ward 2(1), Hyderabad.
3. ACIT, Range 2, Hyderabad-
4. CIT(A)-2, Hyderabad.
5. Pr.CIT-2, Hyderabad
6. DR, ITAT, Hyderabad.
7. Guard File.