

IN THE INCOME TAX APPELLATE TRIBUNAL "C"
(Virtual Court Hearing) BENCH KOLKATA

Before Shri Sanjay Garg, Judicial Member and Shri Rajesh Kumar, Accountant Member

I.T.A. No.1299/Kol/2018
Assessment Year: 2013-14

Topsteel Research Foundation in India.....Appellant
33A, Jawalahaar Lal Nehru Road,
11th Floor, Kolkata-700071.
[PAN:AAATT3675L]

vs.

PCIT, Kolkata.....Respondent

Appearances by:

None appeared on behalf of the appellant.

Shri Amitava Bhattacharya, CIT-DR, appeared on behalf of the Respondent.

Date of concluding the hearing : December 14, 2021

Date of pronouncing the order : December 14, 2021

Hearing through Video Conferencing

ORDER

Per Sanjay Garg, Judicial Member:

The present appeal has been preferred by the assessee against the order dated 28.03.2018 of the Principal Commissioner of Income Tax-11, Kolkata [hereinafter referred to as 'PCIT'] passed u/s 263 of the Income Tax Act (hereinafter referred to as the 'Act').

2. At the outset, it is noticed that the appeal filed by the assessee is time-barred by 2 days. A separate application for condonation of the said delay has been filed, wherein reasons for the delay in filing this appeal have been mentioned. Considering the above reasons, we condone the delay.

3. No one has put in appearance on behalf of the assessee despite notice on the date of hearing. A perusal of the case file shows that earlier also notices from Registry to the assessee have been served but no one ever put in appearance on behalf of the assessee. It seems that the assessee is not interested in prosecution of this appeal. Therefore, we proceed to decide the present appeal after hearing the ld. DR.

4. The Ld. DR has invited our attention to the grounds of appeal of the assessee to submit that the assessee mainly has contested the applicability of the provisions of section 2(22)(e) of the Act. He has further invited our attention to para 7 of the impugned order of the Ld. PCIT to submit that the Ld. PCIT has observed as under:

“a) I have considered the order of the AO, submissions of the assessee and I have also examined the assessment records. It is seen that unsecured loans and advances from TRFI Investment (P) Ltd, TOR - COMM Ltd., Torsteel Ltd., M/s Torsteel Services (P) Ltd., Tor-Anumana Technologies Pvt. Ltd etc. stands at Rs.52,77,68,609/- which was not verified by the AO during the course of assessment proceedings.

b) The assessee made huge equity investments in Associate/Promoted Companies and subsidiary companies and co-promoted joint venture company which were not all verified by the AO.

c) The assessee has claimed the current liabilities of Rs. 39,19,27,709/- in the Balance sheet and has also claimed finance cost of Rs. 1,06,53,636/- and other expenses of Rs. 84,29,383/- which has not been properly examined by the AO during the course of assessment proceedings.

c) After considering all the facts and circumstances of the case, I am satisfied that this is a fit case for revision u/s 263(1) as the assessment order passed by the A.O is found to be erroneous and prejudicial to the interest of revenue as the AO failed to make proper inquiry or verification regarding the various claims of the assessee and the issue of deemed dividend within the meaning of Explanation 2 of section 263(1) as discussed above and hence the assessment made by the A.O. is set aside in full and the A.O. is accordingly directed to make a fresh assessment after making proper enquiry and verification in accordance with law.”

5. The Ld. DR has pointed out that there were many issues such as unsecured loans, huge quantity of investment, equity investments in associate and subsidiary companies. There were claim of current liability and finance cost. These issues were not examined by the Assessing Officer. No one has put in appearance on behalf of the assessee to submit that how the observations of the Ld. PCIT were not correct. The Ld. PCIT noted that apart from the applicability of provision of section 2(22)(e) of the Act, the Assessing Officer has failed to make proper and necessary inquiries in this case. Since the assessee has failed to convince us how the observations of the PCIT are wrong, hence we do not find any infirmity in the order of the Ld. PCIT. Therefore, the order of the PCIT is upheld.

6. In the result, the appeal of the assessee stands dismissed.

Kolkata, the 14th December, 2021.

Sd/-
[Rajesh Kumar]
Accountant Member

Sd/-
[Sanjay Garg]
Judicial Member

Dated: 14.12.2021.

RS

Copy of the order forwarded to:

1. Topsteel Research Foundation in India
2. PCIT, Kolkata
3. CIT(A)-
4. CIT- ,
5. CIT(DR),

//True copy//

By order

Sr.PS/D.D.O, Kolkata Benches