

IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad ‘ B ‘ Bench, Hyderabad
(Through Video Conferencing)

Before Shri S.S. Godara, Judicial Member
AND
Shri Laxmi Prasad Sahu, Accountant Member

ITA No.199/Hyd/2020		
Assessment Year: 2014-15		
Prapurna Trading Private Limited, Hyderabad. PAN : AAFCP8982J.	Vs.	The Income Tax Officer, Ward-16(2), Hyderabad.
(Appellant)		(Respondent)
Assessee by:		Shri K. A Sai Prasad for C.S. Subramanyam
Revenue by:		Shri Rohit Mujumdar
Date of hearing:		06.01.2022
Date of pronouncement:		10.01.2022

ORDER

Per S. S. Godara, J.M.

This assessee's appeal for A.Y. 2014-15 arises from the Commissioner of Income Tax (Appeals) – 4, Hyderabad's, order dated 25.11.2019 in 10419/16-17/ITO, Wd-16(2), Hyd./CIT(A)-4/Hyd/19-20 involving proceedings u/s. 143(3) of the Income Tax Act, 1961 [in short, 'the Act'].

Heard both the parties. Case file perused.

2. The assessee's first and foremost substantive grievance challenging correctness of both the lower authorities' action treating unaccounted loans involving three parties as unexplained cash credits u/s 68 of the Act.

3. Suffice to say, it emerges from a perusal of the CIT(A)'s order in para 5.1 Page 4 that although the Assessing Officer's remand report had rejected assessee's claim but there is no indication as to whether the latter authority had afforded sufficient opportunities to the latter for proving identity, genuineness and creditworthiness in remand proceedings or not. We therefore deem it appropriate to restore the instant former substantive ground back to the Assessing Officer for his afresh adjudication as per law within three effective opportunities of hearings. Ordered accordingly.

4. Next comes the latter issue of 10% adhoc disallowance of purchases and fuel to the tune of Rs.10,05,539/- made in both the lower proceedings. The fact remains that neither the assessee has been able to prove the impugned expenditure to have been incurred wholly and exclusively for the purpose of its business nor the department has been able to justify the same on higher side. We thus deem it appropriate to restore the impugned 10% disallowance of the latter @ 5% with the rider that the same shall not be treated as a precedent in any other assessment year. Ordered accordingly.

5. This assessee's appeal is partly allowed in above terms.

Order pronounced in the Open Court on 10th January, 2022.

Sd/- (LAXMI PRASAD SAHU) ACCOUNTANT MEMBER	Sd/- (S.S. GODARA) JUDICIAL MEMBER
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Hyderabad, dated 10th January, 2022.

TYNM/sps

Copy to:

S.No	Addresses
1	Prapurna Trading Private Limited, 2-159/9, Prapurna Enclave, Jeedimetla, Medchal Road, Hyderabad – 500055, Telangana.
2	The Income-Tax Officer, Ward-16(2), Hyderabad.
3	CIT – (Appeals) – 4, Hyderabad.
4	Pr.CIT-4, Hyderabad.
5	DR, ITAT Hyderabad Benches
6	Guard File

By Order