

IN THE INCOME TAX APPELLATE TRIBUNAL "F" BENCH MUMBAI

**Before Shri Sanjay Garg, Judicial Member &
Shri Om Prakash Kant, Accountant Member**

I.T.A. No.1463/Mum/2020

Assessment Year: 2012-13

M/s Umang Boards (Mumbai) Pvt. Ltd.....Appellant
201, ONYX 36,
Union Park Chamber,
Mumbai-400071.
[PAN:AABCU0882C]

vs.

ITO-14(3)(1), Mumbai.....Respondent

Appearances by:

None appeared on behalf of the appellant.

Shri S. N Kabra, Sr. AR, appeared on behalf of the Respondent.

Date of concluding the hearing : May 18, 2022

Date of pronouncing the order : May 18, 2022

ORDER

Per Sanjay Garg, Judicial Member:

The present appeal has been preferred by the assessee against the order dated 07.02.2020 of the Commissioner of Income Tax (Appeals)-22, Mumbai [hereinafter referred to as 'CIT(A)'] passed u/s 250 of the Income Tax Act (hereinafter referred to as the 'Act').

2. No one has put in appearance on behalf of the asse despite notice. A perusal of the file records shows that even on earlier dates, no one has appeared on behalf of the assessee. In view of this, we proceed to decide the appeal on merits after hearing the ld. DR and after going through the records. The assessee in this appeal has taken the following grounds of appeal:

"1. Ld CIT(A) erred in confirming addition of Rs.47,00,000/- out of the capital raised by the appellate company from 2 subscriber companies, merely on the plea that copies of the bank statements of shareholders evidencing investment in appellant company were not filed and not relying upon all other evidences including audited financials of the investor company filed during the course of proceedings.

2. Appellant pray that additions made be deleted.

3. The appellant craves your honour's leave to add, alter or amend any ground of appeal at the time of hearing or before."

3. At the outset, the ld. DR has stated that in this case the total addition of Rs.17345700/- was made by the Assessing Officer on account of share capital and share premium received by the assessee from different parties on account of failure of the assessee to furnish the necessary details to prove the identity and creditworthiness of the investors and genuineness of the transactions.

4. During the appellate proceedings before the CIT(A), the assessee furnished necessary evidences and details to prove the identity and creditworthiness of the investors and genuineness of the transaction, thereupon the ld. CIT(A) called for remand report from the Assessing Officer. Thereafter, the ld. CIT(A) considering the remand report as well as evidences furnished by the assessee, deleted most of the additions made by the Assessing Officer on this issue, however, sustained the addition of Rs.47,00,000/- in respect of share capital/premium received from two parties. The ld. CIT(A) observed that in case of these two investors, the assessee failed to furnish the copies of the bank accounts of the parties and further that the audited finance of the shareholders did not reflect adequate creditworthiness.

5. A perusal of the impugned order reveals that the assessee had furnished the necessary evidences and details to prove identity and creditworthiness of the investors and genuineness of the transaction, most of which have been accepted by the ld. CIT(A). In case of these two parties, the bank statement was not available on record, however, there is nothing on record that the assessee was specifically asked by the ld. CIT(A) to furnish the bank statement etc. in respect of these two parties. In our view, in the interest of justice, the assessee should be given an opportunity to furnish the necessary details/evidences in respect of these two investors also. Accordingly, the impugned order of the CIT(A) is set aside and the matter is restored to the file of the Assessing Officer with a direction that the Assessing Officer will given opportunity to the assessee to furnish the necessary details and evidences to prove the creditworthiness of the investors and genuineness of the transaction and thereafter to consider the same and pass a speaking order on this limited issue relating to the investment of Rs.47,00,000/- received by the assessee from two parties namely Siddhi Dealmark (P) Ltd. & Sakshi Venatrade

(P) Ltd. With the above observation, the appeal of the assessee is treated as allowed for statistical purposes.

6. In the result, the appeal of the assessee is treated as allowed for statistical purposes.

Mumbai, the 18th May, 2022.

Sd/-
[Om Prakash Kant]
Accountant Member

Sd/-
[Sanjay Garg]
Judicial Member

Dated: 18.05.2022.

RS

Copy of the order forwarded to:

1. M/s Umang Boards (Mumbai) Pvt. Ltd
2. ITO-14(3)(1), Mumbai
3. CIT(A)-
4. CIT- ,
5. CIT(DR),

//True copy//

By order

Assistant Registrar,
Mumbai Benches