

**IN THE INCOME TAX APPELLATE TRIBUNAL
RAJKOT BENCH, RAJKOT
(Conducted through E-Court at Ahmedabad)**

**BEFORE SMT. ANNAPURNA GUPTA, ACCOUNTANT MEMBER AND
Ms. SUCHITRA KAMBLE, JUDICIAL MEMBER**

**ITA No.375/RJT/2017
Assessment Year: 2013-14**

M/s. Devang Petroleum, vs. The Income Tax Officer,
Kalavad Bypass, Ward – 3(5), Jamnagar.
At. Theba,
Jamnagar.
[PAN – AAIFD 1613 N]
(Appellant) (Respondent)

Appellant by : Shri Mehul Ranpura, Ld. AR
Respondent by : Shri B.D. Gupta, Ld. Sr. D.R.

Date of hearing : 26.07.2022
Date of pronouncement : 26.08.2022

ORDER

PER SUCHITRA KAMBLE, JUDICIAL MEMBER :

This appeal is filed by the assessee against the order dated 16.08.2017 passed by the CIT(A), Jamnagar for the Assessment Year 2013-14.

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

- “1.0 The grounds of appeal mentioned hereunder are without prejudice to one another.*
- 2.0 The Commissioner of Income Tax (Appeals), Jamnagar [hereinafter referred to as the “Ld. CIT(A)]” erred on facts as also in law in confirming addition of Rs.27,00,000/- made u/s.68 of the Income Tax Act, 1961 on account of alleged unexplained cash credit received from (1) Jyotsana Kanani (2) Shital Gagan Kanani (3) Merubhai D. Postariya (4) Mahmadbhai Liya and (5) Nileshbhai Dudhagra. The addition retained is totally unjustified on facts as also in law and may kindly be deleted.”*

3. The assessee is engaged in the business of trading of petroleum products. The assessee filed return of income declaring total income at Rs.9,19,050/- on 28.09.2013. The Assessing Officer observed that audited Balance Sheet for the year ending on 31.03.2013 of the assessee mentioned about unsecured loans amounting to Rs.27,00,000/- from five persons. The Assessing Officer called for the documents related to the said unsecured loans. Notice under Section 133(6) of the Income Tax Act, 1961 was issued to depositors of the unsecured loans by the Assessing Officer. Only one of the parties has filed the reply. After taking cognisance of the submissions of the assessee and the details filed by the assessee, the Assessing Officer made addition of Rs.27,00,000/- as unexplained credits of unsecured loans under Section 68 of the Act.

4. Being aggrieved by the Assessment Order, the assessee filed appeal before the CIT(A). The CIT(A) dismissed the appeal of the assessee.

5. The Ld. AR submitted that the documents related to the loans were filed before the Assessing Officer. The Ld., AR submitted that the said loans were repaid in subsequent years and the said evidences were not taken into account by the CIT(A). Therefore, the Ld. AR submitted that the matter may be sent back to the file of the Assessing Officer for verification of the repayment and the documents in relation to the loans taken from five parties. The Ld. AR submitted that in relation to creditworthiness of the parties, the assessee has filed proper documents in respect of land holdings of the said parties, but the same was not taken into account by the CIT(A).

6. The Ld. DR relied upon the Assessment Order and the order of the CIT(A).

7. We have heard both the parties and perused all the relevant material available on record. It is pertinent to note that there are certain details which were not taken into account by the Assessing Officer and the CIT(A) for proper adjudication of the matter on merit. Therefore, it will be appropriate to remand back this issue to the file of the Assessing Officer for proper verification and adjudication of the documents and also to verify whether the repayment of loans was done by the assessee in subsequent years. Appeal is, therefore, partly allowed for statistical purposes.

8. In the result, appeal filed by the assessee is partly allowed for statistical purposes.

Order pronounced in the open Court on this 26th day of August, 2022.

Sd/-
(ANNAPURNA GUPTA)
Accountant Member

Sd/-
(SUCHITRA KAMBLE)
Judicial Member

Ahmedabad, the 26th day of August, 2022

PBN/*

Copies to:

- (1) *The appellant*
- (2) *The respondent*
- (3) *CIT*
- (4) *CIT(A)*
- (5) *Departmental Representative*
- (6) *Guard File*

By order

Assistant Registrar
Income Tax Appellate Tribunal
Rajkot Bench, Rajkot