

**आयकर अपीलीय अधिकरण, हैदराबाद पीठ**  
**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**Hyderabad 'B' Bench, Hyderabad**

**Before Shri R.K. Panda, Accountant Member**  
**AND**  
**Shri Laliet Kumar, Judicial Member**

ITA No.63/Hyd/2023		
Assessment Year: 2016-17		
The Kuppam Cooperative Town Bank Ltd, Kuppam PAN:AABAT7171M	Vs.	Asstt. C. I. T. Circle 1(1) Tirupati
(Appellant)		(Respondent)
Assessee by:	N O N E	
Revenue by:	Shri Kumar Aditya, DR	
Date of hearing:	11/04/2023	
Date of pronouncement:	13/04/2023	

**ORDER**

**Per R.K. Panda, A.M**

This appeal filed by the assessee is directed against the order dated 18.11.2022 of the learned CIT (A)-NFAC Delhi, relating to A.Y.2016-17.

2. None appeared on behalf of the assessee at the time of hearing. No application seeking adjournment of the case has been filed. It was seen from the order sheet entries that even in the past also no one was appearing. Under the circumstances, we deem it proper to decide the issue on the basis of the material available on record and after hearing the learned DR.

3. Facts of the case, in brief, are that the assessee is an AOP and filed its return of income for the impugned A.Y on

31.12.2016 declaring income of Rs.80,58,590/-. The return was processed u/s 143(1) dated 15.03.2017. Subsequently, the case was selected for complete scrutiny under CASS and statutory notices u/s 143(2) and 142(1) were issued to the assessee calling for certain details such as (a) list of persons to whom interest was paid during the relevant financial year along with the reasons for non-deduction of tax at source, (b) copy of ledger a/c in respect of contingencies, (c) contingencies, establishment charges and honorarium debited to P&L A/c, (d) details of appraiser fee, copies of invoices for fixed assets, (e) details of amount disallowed u/s 40(a)(ia). The assessee filed part details. After considering the scanty details filed by the assessee, the Assessing Officer completed the assessment u/s 143(3) on 22.12.2018 determining the total income of the assessee at Rs.1,65,37,926/- wherein he made addition of Rs.84,79,336/- by recording the following:

*“3.7 In view of the failure on the part of the assessee, to prove that tax at source has been deducted for the interest amount paid to various depositors during the year, aggregating to Rs.2,82,64,453/- as per the table below, and in view of section 40(a)(ia) of the I.T. Act, 1961, an amount of Rs.84,79,336/- being 30% of Rs.2,82,64,453/- is disallowed and brought to tax as income of the assessee for the A.Y 2016-17:*

S. No		Amount (in Rs.)
1	Total interest paid during the year	Rs.2,86,05,877
2	Less: interest amount already disallowed by the assessee in the statement of income as per provisions of section 40(a)(ia)	Rs.3,39,489
3	Less: Security deposit interest as claimed by the assessee in its submission	Rs.1,935/-
	Interest amount to be brought under the purview of section 40(a)(ia) for disallowance @ 30%	Rs.2,82,64,453/-
	30% of above	Rs.84,79,336/-

Addition: Rs.84,79,336/-“

4. In appeal, the learned CIT (A) confirmed the addition made by the Assessing Officer by observing as under:

*“5. Decision on Ground of Appeal No.1:*