

Powers of CIT(A) are not limited to only the issues in appeal - he can confirm, modify or annul entire assessment

Summary – The High Court of Allahabad in a recent case of S.D. Traders, (the Assessee) held that powers of CIT(A) are not limited to only the issues in appeal - he can confirm, modify or annul entire assessment

Facts

- The Assessing Officer made certain additions to the assessee's income upon scrutiny.
- On the assessee's appeal, the Commissioner (Appeals) further enhanced income of appellant.
- On second appeal, the Tribunal dismissed the appeal of the assessee.
- On further appeal, the High Court set aside the order of both the Commissioner (Appeals) and the Tribunal and restored the proceedings for consideration before the Commissioner (Appeals).
- The Commissioner (Appeals) partly allowed the appeal of the assessee and confirmed some additions.
- The same was also upheld by the Tribunal.
- Before the HC the assessee submitted that the Commissioner (Appeals) did not have the jurisdiction to introduce a new source of income and the assessment was to be confined to those items of income which was subject matter of the appeal.

Held

- The HC stated that as per Section 251 the power vested in Commissioner (Appeals) in an appeal is that he can confirm, reduce enhance or annul the assessment. Further, the explanation to section 251 empowers Commissioner (Appeals) to consider and decide any matter arising out of proceedings in which the order appealed against was passed, notwithstanding that said matter was not raised before him by the appellant.
- The HC also stated that both the Commissioner (Appeals) as well as the Tribunal have studied the data filed by assessee in depth and have recorded a finding that there was no new source of income on which the additions had been made and the addition has been made on the examination of the records produced before the Assessing Officer
- Therefore the HC decided that the order of the Tribunal needs no interference and the appeal of the assessee is to be dismissed.