

THE INCOME TAX APPELLATE TRIBUNAL
"SMC" Bench, Mumbai
Before Shri B.R. Baskaran (AM)

I.T.A. No. 3181/Mum/2017 (Assessment Year 2012-13)

M/s. New Bonanza Impex Pvt. Ltd. 31A, Noble Chambers 4 th Floor Janmabhoomi Marg Fort, Mumbai-400 001. PAN : AABCN3187H	Vs.	ITO Ward 1(2)(3) Mumbai
(Appellant)		(Respondent)

Assessee by	Shri Jayesh Dadia
Department by	Shri S.K. Bepari
Date of Hearing	13.9.2017
Date of Pronouncement	13.9.2017

ORDER

The appeal filed by the assessee is directed against the order dated 28.2.2017 passed by the learned CIT(A)-2, Mumbai and it relates to A.Y. 2012-13. The assessee is aggrieved by the decision of the learned CIT(A) in confirming the addition of ₹ 1,92,350/- relating to reconciliation difference.

2. I heard the parties and perused the record. The Assessing Officer called for details of loan obtained by the assessee. It was noticed that the assessee has shown debit balance of ₹ 17.12 lakhs in the name of DSJ Communications Limited. However, ledger account of the assessee maintained in the books of DSJ Communications Ltd. disclosed credit balance of ₹ 19.31 lakhs. The Assessing Officer assessed the difference amount of ₹ 1,92,350/- as unexplained investment u/s. 69 of the Act. The learned CIT(A) also was not convinced with the reconciliation statement furnished by the assessee and accordingly he confirmed the addition.

3. Learned AR submitted that the difference of ₹ 1,92,350/- has arisen on account of two entries. The Assessee has shown opening credit balance of ₹ 2

lakhs in the account of DSJ Communications Ltd. Further the assessee has shown cheque payment of ₹ 7,650/- to DSJ Communications Ltd. on 23.11.201, the cumulative effect of both these entries has resulted in difference of ₹ 1,92,350/-. Accordingly, learned AR submitted that the assessee has duly reconciled the difference and in any case difference pertained to opening balance only. Accordingly he submitted that the impugned addition is not called for.

4. On the contrary, learned Departmental Representative supported the order passed by the learned CIT(A).

5. Having heard the rival submissions, I am of the view that the assessee has reconciled the difference of ₹ 1,92,350/- and difference has occurred mainly on account of opening balance of ₹ 2 lakhs shown by the assessee. Hence, cause of action, if any, would not arise during the year under consideration. Accordingly, I am of the view that the learned CIT(A) was not justified in confirming the impugned addition. Accordingly, I set aside the order passed by the learned CIT(A) and direct the Assessing Officer to delete the impugned addition.

6. In the result, appeal filed by the assessee is allowed.

Order has been pronounced in the Court on 13.9.2017.

Sd/-
(B.R.BASKARAN)
ACCOUNTANT MEMBER

Mumbai; Dated : 13/9/2017

Copy of the Order forwarded to :

1. The Appellant
2. The Respondent
3. The CIT(A)
4. CIT
5. DR, ITAT, Mumbai

6. Guard File.

//True Copy//

PS

BY ORDER,

(Dy./Asstt. Registrar)
ITAT, Mumbai