

**IN THE INCOME TAX APPELLATE TRIBUNAL**

**AHMEDABAD “A” BENCH**

**(BEFORE SHRI N.K. BILLAIYA, ACCOUNTANT MEMBER  
& SHRI MAHAVIR PRASAD, JUDICIAL MEMBER)**

**ITA. No: 171/AHD/2014  
(Assessment Year: 2007-08)**

<b>M/s. Baroda Conductors Pvt. Ltd., G-2, Rushi Apartment, Nr. Viza Court, Sayeed Vasna Road, Baroda</b>	<b>V/S</b>	<b>Dy. Comm. of Income Tax, Circle-1(1), Baroda</b>
<b>(Appellant)</b>		<b>(Respondent)</b>

**PAN: AAACB8653R**

**Appellant by : Shri Anil R. Shah, AR  
Respondent by : Shri K. Madhusudan, Sr. D.R.**

**(आदेश)/ORDER**

Date of hearing : 25 -10-2017  
Date of Pronouncement : 27 -10-2017

**PER N.K. BILLAIYA, ACCOUNTANT MEMBER:**

1. This appeal by the Assessee is preferred against the order of the Ld. CIT(A)-I, Baroda dated 01.11.2013 pertaining to A.Y. 2007-08.

2. The assessee has raised two substantive grounds of appeal. By ground no. 1, the assessee has challenged the validity of the notice issued u/s. 148 of the Act and by ground no. 2, the assessee has challenged the mentioning of Section 68 of the Act while making the addition of Rs. 26,26,322/-.
3. At the very outset, the ld. counsel for the assessee stated that he is not pressing ground no. 1 and the same is dismissed as not pressed.
4. Coming to the grievance raised vide ground no. 2, the facts shows that the assessee was having undisclosed bank account which fact has been accepted by the assessee during the course of investigation. When the assessee was confronted with the bank accounts, the assessee accepted that the bank accounts are not shown in the balance sheet and were not part of the books of accounts of the assessee. The assessee accepted that the amount credited in these bank accounts were unaccounted and undisclosed income of the assessee.
5. The assessee further pointed out that since the period of limitation for filing the revised return of income has been expired but out of abundant precaution, the assessee has already paid taxes and interest on the amount found to be undisclosed income in the bank account of the assessee. To regularize the contention of the assessee, the assessment was reopened u/s. 147 of the Act and the assessee company revised its computation of income adding Rs. 26,26,322/- in its total income and the taxes were accordingly paid. The only point out dispute is that while making the addition of Rs. 26,26,322/-, the A.O. has treated the same as unexplained cash credit u/s. 68 of the Act.

6. Before us, the ld. counsel for the assessee vehemently stated that since the assessee is carrying on business, therefore any amount found to be deposited in the bank account should have been considered as the business income of the assessee.
7. We find force in the contention of the ld. counsel. The ld. counsel was fair enough in not questioning the addition but the section under which the additions have been made is questioned. In our considered opinion, since the assessee is undoubtedly carrying on business and maintaining regular books of accounts for its business any amount found unexplained in the bank account should be treated as business income of the assessee.
8. The addition of Rs. 26,26,322/- stands confirmed as undisclosed business income of the assessee. Appeal is accordingly allowed.

Order pronounced in Open Court on 27 - 10- 2017

Sd/-

**(MAHAVIR PRASAD)**  
**JUDICIAL MEMBER**      **True Copy**

Ahmedabad: Dated 27 /10/2017

Rajesh

Copy of the Order forwarded to:-

1. The Appellant.
2. The Respondent.
3. The CIT (Appeals) –
4. The CIT concerned.
5. The DR., ITAT, Ahmedabad.
6. Guard File.

Sd/-

**(N. K. BILLAIYA)**  
**ACCOUNTANT MEMBER**

By ORDER

Deputy/Asstt.Registrar  
ITAT,Ahmedabad