

IN THE INCOME TAX APPELLATE TRIBUNAL

“SMC-B” BENCH : BANGALORE

BEFORE SHRI ARUN KUMAR GARODIA, ACCOUNTANT MEMBER

ITA No.707/Bang/2018
Assessment Year :2013-14

Shri Inderchand Jugraj Singhvi, Prop: Mahendra Saree Emporium, No. 33, 1 <sup>st</sup> Floor, Pillappa Lane, Nagarathpet Cross, C.T. Street, Bangalore – 560 002. <b>PAN: AGAPS5270J</b>	vs.	The Income Tax Officer, Ward – 5 (2) (1), Bangalore.
APPELLANT		RESPONDENT

Appellant by	:	Smt. Suman Lunkar, CA
Respondent by	:	Smt. Padma Meenakshi, JCIT (DR)

Date of hearing	:	07.05.2018
Date of Pronouncement	:	11.05.2018

**ORDER**

*Per Shri A.K. Garodia, Accountant Member*

This appeal is filed by the assessee which is directed against the order of Id. CIT (A)-5, Bangalore dated 29.01.2018 for Assessment Year 2013-14.

2. The grounds raised by the assessee are as under.

*“1. The learned Deputy Commissioner of Income Tax, had erred in passing the order in the manner passed by him and the learned Commissioner of Income tax (Appeals) has erred in confirming the same. The order passed is bad in law and against the principles of natural justice and is required to be quashed in toto.*

*2. In any case and without prejudice, the learned Assessing officer had erred in making the additions of Rs. 29,00,000/- as unexplained investments u/s 69 of the I.T. Act and the learned CIT(A) has erred in confirming the same. The addition as made/confirmed being contrary to facts and law applicable is to be deleted as entirety.*

*3. The authorities below have erred in not properly appreciating the facts of the case and erred in making various observations/findings in spite of overwhelming evidences. The observations/allegations made are without basis, contrary to facts and evidences have no legs to*

*stand in the eyes of law and such extraneous comments are to be expunged in toto.*

*4. The authorities below have erred in holding that the appellant had maintained PPF account with State Bank of India. The conclusion drawn on erroneous premise is to be disregarded.*

*5. The authorities below have erred in holding that the mother of the appellant never had a PPF account thereby treating the source for loan given to Smt. Neetu as dubious and doubtful. The action of authorities below being contrary to facts and evidence available and not in accordance with law is to be deleted.*

*6. There is no unexplained investments at all. The investments made were duly accounted in the books of accounts of the appellant and source thereof is clearly evident. The addition as made is based on surmises and conjectures is to be deleted in entirety.*

*7. The appellant denies the liability to pay interest u/s 234B and 234C of the Act. The interest having been levied erroneously is to be deleted.*

*8. In view of the above and on other grounds to be adduced at the time of hearing, it is requested that the impugned order be quashed or at least the addition made u/s 69 of the Act be deleted. various observations/ allegations/conclusions drawn made by the assessing officer be expunged, income as returned by the appellant be accepted and Interest levied u/s 234B and 234C of the Act be also deleted.”*

3. At the very outset, it was submitted by Id. AR of assessee that the dispute is regarding sources of investment of Rs. 18 Lakhs in Sri Bhagwan Mahaveer Jain Education Trust and Rs. 11 Lakhs being advance given to Smt. Neetu. Regarding the source of these two investments, she drawn my attention to page no. 53 of paper book being the bank statement of assessee with Union Bank of India for the present year. She pointed out that before advancing Rs. 11 Lakhs to Smt. Neetu, there is credit of Rs. 11,63,892.08 and regarding the source of this credit, she drawn my attention to the certificate issued by State Bank of India available on page 60 of paper book as per which it is certified by State Bank of India that a PPF Account No. 10977333911 was maintained with the bank in the name of Smt. Badani Bai w.e.f. 29.12.2000 and after her death, this PPF account was closed on 18.04.2012 and Banker's Cheque for Rs. 11,63,892.08 was issued in the name of nominee Sri J. Inderchand after

completion of bank's laid down instructions and formalities. She submitted that in view of this certificate from State Bank of India, the source of this investment of Rs. 11 Lakhs is explained.

4. Regarding the second investment of Rs. 18 Lakhs being investment in Sri Bhagwan Mahaveer Jain Education Trust, she pointed out that before debit of Rs. 18 Lakhs in the bank statement, there is one credit of Rs. 4,85,663/- and three credits of Rs. 4,50,000/-. Regarding the nature of these four credits, she drawn my attention to a certificate issued by Department of Posts available on page no. 52 of paper book and pointed out that the assessee was having a PPF Account with Post Office and it was closed on 21.05.2012 and there was balance of Rs. 18,35,663/- and the said amount was repaid to the assessee by way of three cheques each of Rs. 4,50,000/- and one cheque of Rs. 4,85,663/-. She submitted that in view of this certificate from Department of Posts, this investment of Rs. 18 Lakhs is also explained and hence, no addition is justified in the facts of the present case. The Id. DR of revenue supported the orders of authorities below.
5. I have considered the rival submissions. I find that as per the Bank Statement of assessee available on page no. 53 of paper book, there is investment of Rs. 11 Lakhs on 08.05.2012 and Rs. 18 Lakhs on 25.05.2012 and these two investments were made out of two credits in the bank account of the assessee and learned AR of the assessee has produced certificate from Department of Posts and certificate from State Bank of India and as per these two certificates, these two credits are on account of maturity of two PPF accounts one in the name of the assessee and other in the name of Smt. Badani Bai of which the assessee is the nominee. Under these facts, in my considered opinion, no addition is justified in respect of these investments of Rs. 29 Lakhs and hence I delete the same.

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

Order pronounced in the open court on the date mentioned on the caption page.

Sd/-  
ARUN KUMAR GARODIA)  
Accountant Member

Bangalore,  
Dated, the 11<sup>th</sup> May, 2018.  
/MS/

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|---------------|------------------------|
| 1. Appellant  | 4. CIT(A)              |
| 2. Respondent | 5. DR, ITAT, Bangalore |
| 3. CIT        | 6. Guard file          |

By order

Senior Private Secretary,  
Income Tax Appellate Tribunal,  
Bangalore.