

IN THE INCOME TAX APPELLATE TRIBUNAL
BANGALORE BENCHES “ C ” BENCH: BANGALORE
**BEFORE SHRI A.K. GARODIA, ACCOUNTANT MEMBER
AND
SHRI PAVAN KUMAR GADALE, JUDICIAL MEMBER**

ITA Nos.566/Bang/2019
(Assessment Year : 2014-15)

Smt. Shivakantamma S Jogur, Prop. Jogur Petroleum, Mandewal, Jewargi-Sindagi Road, Jewargi, Kalaburagi-585 310 PAN DGMP5 5070R (Appellant)	Vs.	Income Tax Officer, Ward 2, Kalaburagi. (Respondent)
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Assessee By: Shri Shreehari Kutsa, C.A.
Revenue By: Dr. P. V. Pradeep Kumar, Addl. CIT (D.R)

Date of Hearing :	11.07.2019
Date of Pronouncement :	.07.2019

ORDER

PER SHRI PAVAN KUMAR GADALE, JM :

The assessee has filed an appeal against the order of the Commissioner of Income Tax (Appeals), Kalaburagi passed under Section 143(3) and 250 of the Income Tax Act, 1961.

2. The assessee has raised the grounds of appeal challenging the order of CIT(Appeals) in confirming the disallowance due to

difference in Bank balance. The Brief facts of the case are that the assessee is proprietor of M/s. Amogha Agro Agency and M/s. Jogur Petroleum, authorized dealer of HPCL and filed the Return of Income for the Assessment Year 2014-15 on 27.11.2014 with total income of Rs.4,79,850 and the Return of Income processed under Section 143(1) of the Act. Subsequently, the case was selected for scrutiny and Notices under Section 143(2) and 142(1) of the Act were issued. In compliance the learned Authorised Representative attended and submitted information from time to time. The Assessing Officer on perusal of the financial statements found that the assessee has disclosed in the Balance Sheet cash at Bank Rs.5,15,702.65 whereas the account statement of Punjab National Bank (PNB) balance is disallowed Rs.18,90,604.65. The Assessing Officer called for explanation in respect of difference and the assessee has explained that Rs.13,75,000 credit balance is netted off with PNB amount balance and balance of Rs.85,15,702 was disclosed. The explanations of the assessee were not accepted by the Assessing Officer. Even after allowing the opportunity of hearing, the assessee could not substantiate. Hence the Assessing Officer made addition of Rs.13,75,000 along with other addition

and determined total income of Rs.18,68,260 and passed under Section 143(2) dt.26.12.2016. On appeal, the CIT(Appeals) has dismissed the appeal. Aggrieved by the CIT(Appeals) order, the assessee filed an appeal with the Tribunal.

3. At the time of hearing, the ld. AR submitted that the CIT(Appeals) has erred in confirming the addition irrespective of the fact that the assessee has filed written submissions in respect of the Bank Balances which have been overlooked. The ld. AR emphasized that the difference in the Bank Balance can be reconciled and filed details in the Paper Book and prayed for allowing the appeal. Contra, the learned Departmental Representative supported the order of lower authorities.

4. We heard the rival contentions and perused the material on record. The sole disputed issue as envisaged by the learned Authorised Representative is in respect of addition due to difference in the Bank Balance. The learned Authorised Representative demonstrated with Paper Book referring to the Balance Sheet at page 1 where the cash at Punjab National Bank was Rs.5,15,702 and the remaining Bank balance was disclosed in the sundry debtors account and further the summary of account

after adjusting the balance of one debtor was disclosed in the sundry debtor account at page 3 of Paper Book. The fact remains that the balance has been disclosed in the Balance Sheet after the figures have been regrouped. The learned Authorised Representative further emphasized that the assessee maintained current account with Punjab National Bank for making Fixed Deposit. On sweeping excess balance with the fixed deposits are used for the purpose of payment which has been reflected in the sundry debtors account. We consider the facts that the Bank Balance in the Balance Sheet disclosed is the closing balance in the sundry debtors account after set off. We are of the opinion that the assessee maintains accounting system to make adjustment of payments in the sundry debtors account. Further on perusal of assessment and against the Show Cause Notice, the assessee has not filed any reply / objection whereas in the hearing proceedings the assessee has filed details to substantiate the case. similarly we are of the substantive opinion that the matter need to be examined and we remit entire disputed issue for limited purpose along with the evidences to the file of the Assessing Officer and set aside the order of CIT (Appeals) and remit the disputed issue to the file of

Assessing Officer and allow the grounds of appeal for statistical purposes.

5. In the result, the appeal of assessee is treated as allowed for statistical purposes.

Order pronounced in the open court on July, 2019.

(A.K. GARODIA)
ACCOUNTANT MEMBER

(PAVAN KUMAR GADALE)
JUDICIAL MEMBER

Dated: .07.2019.

*Reddy GP

Copy to

1. The appellant
2. The Respondent
3. CIT (A)
4. Pr. CIT
5. DR, ITAT, Bangalore.
6. Guard File

By order

Assistant Registrar
Income-tax Appellate Tribunal
Bangalore