

**IN THE INCOME TAX APPELLATE TRIBUNAL  
“SMC - B” BENCH, BANGALORE**

**Before Shri Chandra Poojari, Accountant Member**

ITA No.2025/Bang/2019 : Asst.Year 2015-2016

Sri.Avalappa Gopal No.1 Behind Busstop Karahalli, Devanalli Bangalore – 562 110. <b>PAN : APTPG5043H.</b>	Vs.	The Income Tax Officer Ward 6(3)(4) Bangalore.
(Appellant)		(Respondent)

Appellant by : Sri.R.Chandrasekar, Advocate  
Respondent by : Dr.Ganesh R.Ghale, Standing Council for DR

<b>Date of Hearing : 19.02.2020</b>	<b>Date of Pronouncement : 25.02.2020</b>
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**ORDER**

This appeal filed by the assessee is directed against the order of the CIT(A), dated 28.06.2019. The relevant assessment year is 2015-2016.

2. The assessee has raised following grounds:-

“1. The learned CIT(A) erred in holding the no explanation furnished by the appellant explaining the difference the total deposits into bank and the turnover declared for the assessment year 2015-16 in the appellant’s case.

2. The learned authorities below did not appreciate explanation to total deposits into bank with reference to withdrawals, the turnover as well re-deposits out of withdrawals in order to match the net profit with reference to the balance of the amount standing to the credit as on 31.03.2015.

3. The learned CIT(A) erred in not considering the explanation in regard to cash available out of withdrawal to make re-deposit into make.

4. The learned CIT(A) could have estimated profit on such difference having rejected the cash was available for re-deposit, only mean the deposit is part of the turnover and could not have upheld the difference as income of the appellant.

5. The learned CIT(A) went wrong in holding the learned Respondent has not traversed beyond the scope of limited

*scrutiny.*

6. *Levy of interests u/s 234A & B & D of the Act are not warranted.*

7. *The appellant prays that this Hon'ble Tribunal be pleased to permit the appellant to add, delete or modify any ground or grounds at the time of hearing."*

3. The facts of the case are that the Assessing Officer on comparison of assessee's bank statement with the Profit and Loss account furnished by the assessee that there is a difference between them at Rs.15,56,697. He, thus, treated the same as undisclosed income of the assessee. The CIT(A) confirmed the action of the Assessing Officer. Against the orders of the Income tax Authorities, the assessee is in appeal before the Tribunal.

4. I have considered the rival submissions and perused the material on record. In my opinion, the assessee's books of account were duly audited and certified by a Chartered Accountant. The Assessing Officer nowhere rejected the books of account. According to the A.O. the total deposits in the bank account should be equal to the total turnover disclosed in the profit and loss account, which is not possible. The turnover is disclosed in the total sales receipt of the assessee. However, the deposits into the bank account may include cheque / cash from the sales, loans and borrowings, collections from earlier debtors etc. Thus, there is every possibility that total deposit into bank account may not tally with the total turnover. Hence, I direct the Assessing Authority to verify the amount of credits reflected in assessee's bank account and verify whether this

much amount really represented independent business receipts or amount included other credits arising out of cash turnover of the assessee and decide it accordingly. Accordingly, this issue is remitted to the A.O. for fresh consideration.

5. Charging of interest u/s 234A, 234B and 234D are consequential in nature, which does not require any specific adjudication.

6. In the result, the appeal filed by the assessee is partly allowed for statistical purposes.

Order pronounced on this 25<sup>th</sup> day of February, 2020.

Sd/-  
**(Chandra Poojari)**  
**ACCOUNTANT MEMBER**

Bangalore ; Dated : 25<sup>th</sup> February, 2020.  
Devadas G\*

Copy to :

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

Asst.Registrar/ITAT, Bangalore