

**IN THE INCOME TAX APPELLATE TRIBUNAL  
“A”BENCH: BANGALORE**

**BEFORE SHRI B. R. BASKARAN, ACCOUNTANT MEMBER  
AND  
SHRI PAVAN KUMAR GADALE, JUDICIAL MEMBER**

|                          |
|--------------------------|
| ITA No.2176/Bang/2018    |
| Assessment Year: 2013-14 |

|   |            |                                 |
|---|------------|---------------------------------|
| Mr. Sunil Kumar Lakhotia<br>Prop: M/s. Balaji Carriers,<br>M/s. Gaurav Trade Links<br>1 <sup>st</sup> Floor, CNG Complex<br>R.K. Photo Studio, College Road<br>Hospet-583 201<br><br><b>PAN NO : ABBPL6946Q</b> | <b>Vs.</b> | The ACIT<br>Circle-1<br>Bellary |
| <b>APPELLANT</b>  |            | <b>RESPONDENT</b>               |

|                      |   |                          |
|----------------------|---|--------------------------|
| <b>Appellant by</b>  | : | Shri Baliram R.Rao, A.R. |
| <b>Respondent by</b> | : | N O N E                  |

|                       |   |            |
|-----------------------|---|------------|
| Date of Hearing       | : | 13.08.2020 |
| Date of Pronouncement | : | 14.08.2020 |

**ORDER**

**PER B.R. BASKARAN, ACCOUNTANT MEMBER:**

The appeal filed by the assessee directed against the order dated 30.3.2018 passed by Ld. CIT(A) Gulbarga and it relates to assessment year 2013-14.

2. None appeared on behalf of the revenue. We heard Ld. A.R. and perused the record.

3. The issue contested in this appeal is with regard to the addition of Rs.18.14 lakhs made by the A.O. u/s 68 of the Act which was confirmed by Ld. CIT(A).

4. The facts relating to the issue are that the assessee is a businessman carrying on two businesses.

1) Gaurav Trade Lines - Trading of Limestone

2) Shri Balaji Carriers - Transport business

Besides the above, the assessee is also receiving remuneration from M/s. SRC Chemicals Pvt. Ltd, Dividend from shares and interest income from bank. The assessee claims to have maintained separate books of account for these receipts also, i.e., the assessee has maintained three separate books of accounts for all the 3 activities referred above, i.e., two business concerns and one Personal books. It is stated that the return of income was filed by consolidating the financial statements as a whole.

5. The A.O. noticed that the assessee has introduced additional capital of Rs.91.75 lakhs during the year under consideration. Accordingly, he asked the assessee to explain the sources for Rs.91.75 lakhs. The assessee explained that he used to transfer funds from personal books to business books and also from one business to another business. In the books from which payment is made, it will be shown as investment and in the books of business concern, which receives money, it will be shown as additional capital. Accordingly, it was submitted that the additional capital, in fact, represents inter-book transfers only. It was submitted that the total source available with the assessee in Personal books is Rs.1,32,33,979/- out of which Rs.91,75,000/- was transferred to other business concerns. However, the A.O. took a figure of Rs.79.60 lakhs as the amount drawn by the assessee and deducted

a sum of Rs.6 lakhs from it and accordingly accepted sources to the tune of Rs.73.60 lakhs. Accordingly, he treated the remaining amount of Rs.18.17 lakhs as unexplained cash credit and assessed the same. The Ld. CIT(A) also confirmed the same. At the time of hearing, the Ld A.R expressed his inability to explain as to how the AO took the figure of Rs.79.60 lakhs as sources.

6. The Ld. A.R. submitted that the assessee has not introduced any fresh capital and all the funds have been transferred from one concern to another concern. He submitted that the assessee would be in a position to explain the same to the satisfaction of the A.O., if an opportunity is given to the assessee.

7. We find merit in the prayer of Ld. A.R. Accordingly, we set aside the order passed by the Ld. CIT(A) and restore this issue to the file of the A.O. for examining it afresh. The assessee is also directed to furnish the reconciliation statement, information and explanations to the satisfaction of the A.O. and cooperate with him for expeditious completion of the assessment. After affording adequate opportunity to the assessee, the A.O. may take appropriate decision in accordance with law.

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

Order pronounced in the open court on 14-08-2020

**Sd/-**  
**(Pavan Kumar Gadale)**  
**Judicial Member**

**Sd/-**  
**(B.R. Baskaran)**  
**Accountant Member**

Bangalore,  
Dated 14<sup>th</sup> Aug, 2020.  
VG/SPS

**Copy to:**

1. The Applicant
2. The Respondent
3. The CIT
4. The CIT(A)
5. The DR, ITAT, Bangalore.
6. Guard file

By order

Asst. Registrar, ITAT, Bangalore.