

आयकर अपीलीय अधिकरण, हैदराबाद पीठ में  
IN THE INCOME TAX APPELLATE TRIBUNAL  
HYDERABAD BENCHES "B", HYDERABAD

BEFORE  
SHRI RAMA KANTA PANDA, ACCOUNTANT MEMBER  
&  
SHRI K.NARASIMHA CHARY, JUDICIAL MEMBER

आ.अपी.सं / ITA Nos.	निर्धारण वर्ष / A.Y.	अपीलार्थी / Appellant	प्रत्यर्थी / Respondent
1111/Hyd/2018	2012-13	Agarwal Industries Pvt. Ltd., Hyderabad [PAN: AACCA0094R]	Income Tax Officer, Ward-1(4), Hyderabad
1112/Hyd/2018	2013-14		Income Tax Officer, Ward-1(3), Hyderabad

निर्धारिती द्वारा / Assessee by: Shri Y. Ratnakar, AR  
राजस्व द्वारा / Revenue by: Shri Sarish Kumar Irukulla, DR

सुनवाई की तारीख/Date of hearing: 27/10/2022  
घोषणा की तारीख/Pronouncement on: 27/10/2022

आदेश / ORDER

**PER K. NARASIMHA CHARY, JM:**

Aggrieved by the order(s) dated 09/01/2018, passed by the learned Commissioner of Income Tax(Appeals)-1, Hyderabad ("Ld.CIT(A)") in the case of M/s. Agarwal Industries Private Limited ("the assessee") for the assessment years 2012-13 & 2013-14, assessee preferred these appeals. For the sake of convenience, we dispose of these appeals by way of this

common order, taking the appeal for the assessment year 2012-13 as a lead case.

2. Brief facts of the case are that the assessee is a domestic company engaged in trading and manufacture of oil. For the assessment year 2012-13 assessee filed the return of income on 28/9/2012 declaring a total income of Rs. 4,80,80,983/- and while completing the assessment under section 143(3) of the Income Tax Act, 1961 (for short "the Act"), the learned Assessing Officer, inter alia, made an addition of Rs. 24,31,365/- on account of difference in interest as per form 26AS and the books of account.

3. When the assessee preferred appeal and submitted that the difference was due to the interest received on the bank deposits which was not accounted by the assessee in their income statement, Ld. CIT(A) dismissed the ground of appeal relevant to this aspect stating that this was a mistake on the part of the assessee that they have not accounted the income for which the bank had already accrued in their FD account and bank balances. According to the Ld. CIT(A) mere ignorance or nonavailability of information cannot be a reason for not offering the income to tax and therefore, Ld. CIT(A) held that the learned Assessing Officer was correct in taking the form 26AS as the basis for calculating the income.

4. Assessee is aggrieved by this observation of the Ld. CIT(A) and preferred this appeal stating that the Ld. CIT(A) did not consider the reconciliation statement filed by the assessee during the appellate proceedings and as a matter of fact, the assessee reconciled the difference

in interest as per books and as per 26AS, on a perusal of which it can be affirmed that there is no difference in interest as per the books of accounts and interest actually paid by the bank to the assessee company and interest accounted for in the books of accounts.

5. It is submitted by the Ld. AR that the Ld. CIT(A) without appreciating the reconciliation statement furnished by the assessee reached a wrong conclusion that the assessee did not account the interest accrued by the bank in the term deposits in bank balances since the information was not received. The sum and substance of the grievance of the assessee expressed before us is that the Ld. CIT(A) recorded a factually incorrect statement that the assessee pleaded before him that the difference was due to the interest received on the bank deposits which was not accounted by the assessee in their income statement and such mistake on the part of the assessee not to account income for which the bank had already credited the same in their FD account and bank balances, but as a matter of fact such a difference was reconciled and the statement was produced by the Ld. CIT(A), which the Ld. CIT(A) failed to take note of.

6. Per contra, Ld. DR placed heavy reliance on the orders of the authorities below. According to him, the record speaks for itself and there are no grounds to interfere with the impugned order.

7. We have gone through the record in the light of the submissions made on either side. Insofar as this assessment year 2012-13 is concerned we find from the paper book furnished that the reconciliation statement vide page No. 6 to 52 was available before the Ld. CIT(A), but no whisper to such material is to be found in the order. Clearly it is a matter where this

aspect had escaped the attention of the Ld. CIT(A), and therefore, requires factual verification at the end of the authorities below.

8. Since the material was placed before the authorities below said to be reconciling the difference of interest between form 26AS and the books of accounts and it missed the consideration of the Ld. CIT(A), we are of the considered opinion that the verification of the material would obviate the things. With this view of the matter, we set aside the impugned order so far as this addition on account of difference in interest as per form 26AS and books of accounts of the assessee, to the tune of Rs. 24,31,365/- is concerned and restore this issue to the file of the learned Assessing Officer to go through the material that is placed at page Nos. 6-52 in the paper book and to take a view a fresh in accordance with law. Grounds are accordingly treated as allowed for statistical purposes.

9. Since the facts of ITA No. 1112/Hyd/2018 for the assessment year 2013-14 are identical to one as decided by us in ITA No. 1111/Hyd/ 2018 (supra) for the assessment year 2012-13 and, therefore, our findings in the said appeal, *mutatis mutandis*, would apply to this appeal as well.

10. In the result, both the appeals of the assessee are treated as allowed for statistical purposes.

Order pronounced in the open court on this the 27<sup>th</sup> day of October, 2022.

Sd/-  
**(RAMA KANTA PANDA)**  
**ACCOUNTANT MEMBER**  
Hyderabad, Dated: 27/10/2022

Sd/-  
**(K. NARASIMHA CHARY)**  
**JUDICIAL MEMBER**

TNMM

Copy forwarded to:

1. M/s. Agarwal Industries Private Limited, 15-9-449, Jagdish Niketan, Afzalgunj, Hyderabad.
2. The Income Tax Officer, Ward-1(4), Hyderabad.
3. The Income Tax Officer, Ward-1(3), Hyderabad.
4. CIT(A)-1, Hyderabad.
5. Pr.CIT-1, Hyderabad.
6. DR, ITAT, Hyderabad.
7. GUARD FILE

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