

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH “SMC”: NEW DELHI**

BEFORE SHRI KUL BHARAT, JUDICIAL MEMBER

ITA No. 257/DEL/2024
Assessment Year: 2018-19

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| Gagan Bansal, 681 Khatriwara near Gopinath Mandir, Ward no. 2, Kheri Kalan (113), Faridabad. | <u>Vs</u> | Income-tax Officer, National e-Assessment Centre, Delhi. |
| PAN- AHHPB 7441 A | | |
| APPELLANT | | RESPONDENT |
| Assessee represented by | | Shri Priyanshu Jain, CA |
| Department represented by | | Shri Om Parkash, Sr. DR |
| Date of hearing | | 04.06.2024 |
| Date of pronouncement | | 27.06.2024 |

ORDER

PER KUL BHARAT, JM:

This appeal, by the assessee, is directed against the order of the National Faceless Appeal Centre (NFAC), Delhi, dated 22.12.2023, pertaining to the assessment year 2018-19. The assessee has raised following grounds of appeal:

“1. That the impugned order passed by the Ld. AO is bad in law, without jurisdiction and ultra-vires the provisions of the Act.

2. That having regard to the facts and circumstances of the case, Ld. AO has erred in law and on facts in making addition of Rs. 1,62,676/- u/s 69A of the Act.

3. That the Ld. CIT(A) has erred in law and on facts, in confirming the action of Ld. AO in making addition of Rs. 1,62,676/- in the hands of the assessee us 69A of the Act.

4. That the appellant craves the leave to add, modify, amend or delete any of the grounds of appeal at the time of hearing and all the above grounds are without prejudice to each other.”

2. Facts, in brief, are that case of the assessee was selected for complete scrutiny assessment on account of cash deposit and verification of transaction. After issuing statutory notices and giving opportunity to the assessee the AO proceeded to frame the assessment. The AO made addition of Rs. 1,62,676/- on account of non-disclosure of closing balance of the bank accounts held by the assessee. Before AO the assessee had stated that it was a mistake on the part of the Accountant who failed to disclose the closing amount. However, the AO did not accept the contention of the assessee and made the addition. Thus, he assessed income at Rs. 6,35,360/- against the returned income of Rs. 4,72,683/-. Aggrieved against this the assessee preferred appeal before the learned CIT(A) who sustained the finding of the AO. Now the assessee is in appeal before this Tribunal.

3. Learned counsel for the assessee vehemently argued that the authorities below failed to appreciate the fact that the mere mistake on the part of the Accountant would not be basis for making addition. He submitted that proper explanation was provided about the total balance lying credited in the bank accounts of the assessee. Reliance is placed on the judgment of the Hon'ble Delhi High Court in the case of CIT vs. Kailash Jewellery House ITA no. 613/2010.

4. On the other hand, learned DR opposed the submissions and supported the authorities below.

5. I have heard rival submissions and perused the material available on record. The only effective ground in this appeal is against sustaining the addition of Rs. 1,62,676/- being closing balance in the bank account held by the assessee. Basis of such addition is stated to be claim of the assessee about closing balance being Nil. It is contended that such claim was based upon a bona fide mistake and no prejudice is caused to the Revenue and it was brought to the notice of the concerned authority vide letter dated 18.12.2015. There is no denying the fact that the assessee himself has stated before the lower authority about the bona fide mistake and the closing balance is not connected with any unexplained income. I, therefore, considering the totality of facts, direct the AO to delete the addition. Ground is allowed.

6. Appeal of the assessee is allowed.

Order pronounced in open court on 27th June, 2024.

**Sd/-
(KUL BHARAT)
JUDICIAL MEMBER**

MP

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR
ITAT, NEW DELHI