

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

BEFORE SHRI LAXMI PRASAD SAHU, ACCOUNTANT MEMBER

ITA No.2311/Bang/2024
Assessment year : 2018-19

Krishnagiri Rajagopal Mohankumar, No.319/20, Aparanji, G.1, Coral, 14 th Cross, 9 th Main, 2 nd Block, Jayanagar, Bangalore – 560 011. PAN: AGRPM 6101F	Vs.	The Income Tax Officer, Ward 7(2)(1), Bangalore.
APPELLANT		RESPONDENT

Appellant by	:	Shri T.R. Satyanarayana, Advocate
Respondent by	:	Shri Ganesh R. Ghale, Standing Counsel.

Date of hearing	:	17.02.2025
Date of Pronouncement	:	25.03.2025

ORDER

Per Laxmi Prasad Sahu, Accountant Member

This appeal by the assessee is against the order of the Id. CIT(Appeals), National Faceless Appeal Centre, Delhi (NFAC) dated 30.9.2024 having DIN ITBA/NFAC/S/250/2024-25/1069246892(1) for the assessment year 2018-19.

2. The sole issue challenged by the assessee is the addition made u/s. 68 of the Act of Rs.9 lakhs. The assessee submitted that assessee has taken loan of Rs.6 lakhs from Mr. Sunil K S and Rs. 3 lakhs from Shalini Kumaraswamy, Shridhaar Das and Srinivas of Rs.1 lakh each.

Both the lower authorities held that assessee is unable to fulfil the ingredients of section 68 of the Act and therefore sustained the addition.

3. The Id. counsel for the assessee submitted that the documents submitted before the authorities below have not been appreciated and the transactions have been carried out through banking channel. Further in respect of loan from Sunil K S, he produced bank statement and got verified to the transactions made with him and as per bank statement the amount was received on 04.09.2017 and 06.09.2017 by way of transfer of Rs.3 lakhs each. He also submitted the fixed deposits certificates in respect of the lender of Oriental Bank of Commerce and National Cooperative Bank Ltd. and submitted that the fixed deposits got matured and the amount got credited in his bank account and out of this Fixed Deposits maturity amount the assessee received loan from Mr. Sunil. Therefore the assessee has satisfied the basic ingredient of section 68. Further in respect of the addition of Rs.1 lakh each, he submitted that the amount was credited on different dates of Rs.1 lakh each from the other 3 lenders. He Further submitted that Rs. 1.00.000 is less than the threshold limit for the charging of income tax in the hands of lender and not required to file income tax return. Therefore, it also satisfies the condition of section 68. He submitted that the appeal may be allowed.

4. On the other hand, the Id. DR submitted that the assessee was unable to prove the necessary ingredients of section 68 before both the lower authorities.

5. Considering the rival submissions, it is noted that the assessee has received Rs.6 lakhs from Mr. Sunil K S by way of cheque No.035156 from Oriental Bank of Commerce for Rs.3 lakhs and cheque no.063355 from National Co-op. Bank for Rs. 3 lakhs and has submitted copy of fixed deposit certificate of both the banks, which got matured and the amount was immediately transferred through banking channel to the account of the assessee. Therefore, the necessary ingredients of section 68 has been fulfilled. I also note from the bank statements produced before me that the amount of Rs.3 lakhs is received of Rs.1 lakh each from 3 lenders as noted above is also transfer by way of banking channel. Considering the smallness of amount of Rs.1 lakh from the 3 lenders there is no doubt regarding the receipt of money from the 3 lenders. Therefore, considering the totality of facts and circumstances of the case, I delete the additions u/s. 68 made by the AO.

6. In the result, the appeal of the assessee is allowed.

Pronounced in the open court on this 25th day of March, 2025.

Sd/-
(LAXMI PRASAD SAHU)
ACCOUNTANT MEMBER

Bangalore,
Dated, the 25th March, 2025.

/Desai S Murthy/

Copy to:

1. Appellant
2. Respondent
3. Pr. CIT
4. CIT(A)
5. DR, ITAT, Bangalore.

By order

Assistant Registrar
ITAT, Bangalore.