

**RESERVED****Court No. - 33****Case :-** INCOME TAX APPEAL No. - 362 of 2012**(ASSESSMENT YEAR 2002-03)****Appellant :-** Commissioner Of Income Tax, Central, Kanpur & Another**Respondent :-** Shri Anurag Agarwal, Kanpur**Counsel for Appellant :-** A.N. Mahajan (S.S.C.),D.Awasthi**Counsel for Respondent :-** Shakeel Ahamed**Hon'ble Tarun Agarwala,J.****Hon'ble Dr. Satish Chandra,J.****(PER HON'BLE DR. SATISH CHANDRA, J)**

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The present appeal is filed by the Department under Section 260A of the Income Tax Act, 1961, against the impugned order dated 17.03.2011 passed by Income Tax Appellate Tribunal, Lucknow in I.T.A. No. 694/LKW/2010 for the assessment year 2002-03.

The brief facts of the case are that on 1.12.2004, a search and seizure operation under Section 132(1) of the Income Tax Act, 1961, was conducted at the business and residential premises of Shri Amar Nath Gupta group and the residential premises of the assessee was also searched. During the course of search, credit entry pertaining to cash credit of Rs. 23,10,000/-; and credit entry in the Savings Bank Account No. 31531048 of the assessee with Standard Chartered Grindlays Bank, M.G. Road, Kanpur were found. Accordingly, the A.O. made the additions, but the said additions were deleted not only by the first appellate authority, but also by the Tribunal. Still not being satisfied the Department has filed the present appeal.

With this background, heard Shri Dhananjay Awasthi, learned counsel for the Department and Shri Sakeel Ahmad, learned counsel for the assessee.

Having heard both the parties at length and on a perusal of the material available on record, it appears that the following cash credit entries were mentioned in the books of the account of the assessee :-

<b>Name</b>	<b>Amount (Rs)</b>
Agarwal & Associates	60,000/-
Ankur Agarwal (HUF)	7,50,000/-
Nidhi Agarwal	12,00,000/-
Seema Jain	3,00,000/-
	<b>23,10,000/-</b>

Similarly, the following credit entries in the Savings Bank account of the assessee was found :-

<b>Date</b>	<b>Amount (Rs)</b>
10.04.2001	4,50,000/-
20.04.2001	50,000/-
23.04.2001	1,00,000/-
09.07.2001	10,000/-
10.07.2001	6,00,000/-
26.07.2001	30,000/-
	<b>12,40,000/-</b>

The CIT(A) has deleted the said additions, after having remand report from the A.O. However, the CIT(A) has referred the matter back to the A.O. for the addition of Rs. 6 lacs, which was transferred from the Bank of Baroda to the Standard Chartered Grindlays Bank Account.

As per the direction, the A.O. has verified and deleted the addition himself, thus, the entire additions were deleted. The Tribunal has confirmed the same. From the record, it also appears that the identity of the creditors was established. The transaction was made through the proper channel, so the genuineness of the transaction was also proved. The assessee has given the PAN number and full address of each creditors. Moreover, the creditor at Serial No. 1, 2, 6 and 7 were also subjected to search. Their assessment was pending with the the same A.O. Hence verification of credit entries/transactions was very easy for the A.O. with the available record pertaining to the said creditors. But the A.O. has not verified the same and adopted a shortcut method by making the addition. However, the said addition was deleted by the CIT(A) after obtaining the remand report from the A.O.

Regarding the bank entries, it appears that the amount was transferred from Bank of Baroda to Standard Chartered Grindlays Bank Account. As per direction CIT(A), the A.O. verified the transaction and found it to be correct. When it is so, then we find no reason to interfere with the impugned order passed by the Tribunal, the same is hereby sustained alongwith the reasons mentioned herein.

In the result, the appeal filed by the Department has no merit and is accordingly **dismissed** at the admission stage.

**Order Date :-25.09.2014**

Anurag/-

**(Dr. Satish Chandra, J.) (Tarun Agarwala, J.)**