

(2001) 07 P&H CK 0225

In the Punjab And Haryana At Chandigarh

Case No : IT Appeal No. 174 of 1999 23 July 2001

Sohan Lal

APPELLANT

Vs

Commissioner of Income Tax

RESPONDENT

Date of Decision : 23-07-2001

Acts Referred:

Income Tax Act, 1961 — Section 68

Citation : (2002) 172 CTR 436 : (2001) 119 TAXMAN 727

Hon'ble Judges : Jawahar Lal Gupta, J; Ashutosh Mohunta, J

Bench : Full Bench

Advocate : Suvir Sehgal, for the Assessee R.P. Sawhney and Rajesh Bindal, for the Revenue, for the Appellant;

Judgement

Gupta, J.

The assessee has filed this appeal with the grievance that the Tribunal has erred in upholding the addition of Rs. 61,000 to the income declared by the assessee in the return for the assessment year 1988-89.

2. Mr. Sehgal, the learned counsel for the appellant contends that the order passed by the assessing officer had been rightly reversed by the Commissioner. However, the Tribunal has wrongly accepted the appeal of the revenue. In the circumstances, the learned counsel maintains that the following question of law arises for consideration of this court :

"Whether, on the facts and in the circumstances of the case, the learned Tribunal, Amritsar Bench, Amritsar has erred in making addition of Rs. 61,000 u/s 68 of the Income Tax Act, 1961 despite of complete evidence regarding identity of creditor, source of credits and actual transaction has been proved ?"

Counsels for the parties have been heard.

3. The assessee had claimed that Ram Partap had advanced an amount of Rs. 54,000 to eight different persons. That amount had been returned by the

borrowers to the assessee. It was credited to the account of Ram Partap by the assessee. Thus, the addition to the extent of Rs. 54,000 is invalid. He had directly received an amount of Rs. 7,000.

4. A perusal of the order passed by the Tribunal shows that the persons to whom Ram Partap had allegedly advanced the amount of Rs. 54,000 were not known to him. The date on which the amount was advanced has also not been disclosed. No interest was being charged despite the fact that Ram Partap did not know any one of the eight persons. In this situation, the Tribunal has come to a finding of fact that the transaction cannot be believed. Nothing has been pointed out to show that this finding is wrong. We are satisfied that it was only a paper entry. No transaction had actually taken place.

5. Resultantly, we find no ground to interfere with the order impugned in this appeal. The appeal is dismissed. No costs.