

**IN THE INCOME TAX APPELLATE TRIBUNAL CUTTACK 'SMC' BENCH,  
CUTTACK**

**BEFORE SHRI N.S SAINI, ACCOUNTANT MEMBER**

**ITA No. 360/CTK/2015**  
Assessment Year : 2010-2011

Smt. Alladini Patra, Prop. M/s. Ambika Book Centre, Main Road, Koraput	Vs.	ITO, Ward-2, Jeypore
PAN/GIR No. ACYPP 3490 K		
<b>(Appellant)</b>	..	<b>( Respondent)</b>

Assessee by : Shri Kailash Panigrahi, AR  
Revenue by : Shri D.K.Pradhan, DR

**Date of Hearing : 03 /01/ 2017**  
**Date of Pronouncement : 03/01/ 2017**

**ORDER**

This is an appeal filed by the assessee against the order of CIT(A)-1, Bhubaneswar, dated 26.5.2015 for the assessment year 2010-2011.

2. The sole issue involved in this appeal is that the Id CIT (A) erred in confirming the addition of Rs.9,72,000/- made by the Assessing Officer as unexplained sundry creditors.

3. I have heard the rival submissions and perused the orders of lower authorities and materials available on record. In the instant case, the

assessee is engaged in the business of trading in books under the name & style of Ambica Book Centre. The Assessing Officer observed that in the total of sundry creditors in the balance sheet of Rs.25,93,670.81, the assessee has shown Rs.9,72,000/- as amounts receivable from District Inspector of School, Koraput for supply of books. The Assessing Officer observed that the assessee has issued following bills for Rs.9,72,000/- on 30.12.2009:

Sl.No.	Bill No.	Date	Amount (Rs.)
1.	574	30.12.2009	87,578/-
2.	575	30.12.2009	77,800/-
3.	576	30.12.2009	89,735/-
4.	577	30.12.2009	95,564/-
5.	578	30.12.2009	88,587/-
6.	579	30.12.2009	76,010/-
7.	580	30.12.2009	68,491/-
8.	581	30.12.2009	80,968/-
9.	582	30.12.2009	73,807/-
10.	583	30.12.2009	83,171
11.	584	30.12.2009	77,224/-
12.	585	30.12.2009	73,165
		Total	<b>9,72,000</b>

4. Therefore, the Assessing Officer was of the view that the assessee has received Rs.9,72,000/- on 4.3.2010 from the District Inspector of School, Koraput against the sale of books made on 30.12.2009. The contention of the assessee before the Assessing Officer was that the above bills were proforma bills submitted to the District Inspector of School, Koraput on 30.12.2009 for supply of library books based on which the District Inspector of School, Koraput issued a cheque for Rs.9,72,000/- on 4.3.2010 to the assessee. The books were supplied in the next financial year. Hence, the

District Inspector of School, Koraput has been reflected as creditors in the balance sheet as on 31.3.2010 by the assessee. However, the Assessing Officer was not satisfied and added Rs.9,72,000/- u/s.69 of the Act as bogus credit.

5. On appeal, Id CIT(A) confirmed the action of the Assessing Officer.

6. Before me, Id A.R. of the assessee pointed out from annexure-4 that a cheque for Rs.9,72,000/- dated 4.3.2010 was received from the District Inspector of School, Koraput, which was credited in the bank account of the assessee on 4.3.2010. He further pointed out from same annexure-4 that the assessee has made payment through cheque No.162235 dated 20.2.2010 for Rs.5,50,000/- to Grantha Mandir, Cuttack and another cheque was also given to same party being cheque No.162236 dt.24.2.2010 for Rs.1,50,000/- as advance for supply of books. Further, Id A.R. pointed out from annexure -6 that on 27.3.2010, the assessee issued a cheque for Rs.1,19,235/- being Cheque No.162249 to Maa Sarada Publication, which was also for supply of books. He pointed out that as the supply of books were received in the subsequent financial year, therefore, in the balance sheet prepared on 31.3.2010, Rs.8,19,235/- was shown as amount receivable from the suppliers namely, Maa Sarada Publication and Grantha Mandir. He further pointed from annexures -11,12 & 13 that the Head Master, New U.P.School, Lankaput,

Koraput has issued acknowledgement on 7.4.2010 for receipt of 378 numbers of books. Further, the Head Master, Upper Primary School, Lendrimalguda has issued acknowledgement on 9.4.2010 for receipt of 378 numbers of books from the D.I. of Schools, Koraput and similarly, the Head Master, Upper Primary School, Ganipadar has also issued a certificate dated 6.4.2010 for receipt of 378 numbers of books from the District Inspector of School, Koraput. By pointing out these evidences, it was submitted that the supply of books to schools were made in the succeeding financial year and, therefore, the assessee accounted for the sale of Rs.9,72,000/- by raising invoices on DI, Koraput being Invoice No.1 dated 31.8.2010. The same was duly shown as sale in the immediately succeeding assessment year 2011-12 and the income therefrom was shown in the return of income filed by the assessee. Hence, it was his submission that the addition made by the Assessing Officer and confirmed by Id CIT(A) in the presence of overwhelming evidences, was not justified.

7. On the other hand, Id D.R. supported the orders of lower authorities.

8. I find that it is not in dispute that the assessee received Rs.9,72,000/- on 4.3.2010 by cheque from the District Inspector of School, Koraput for supply of books to the schools as directed by the District Inspector of School, Koraput. It is also not in dispute that in order to procure the said books, the

assessee paid advance to the suppliers on 22.3.2010 also by cheque. It is also not in dispute from the certificates of the Head Masters of Schools, filed in Annexures-11,12 & 13 that the books were actually supplied by the assessee in the subsequent financial year relevant to assessment year 2011-12. It is also not in dispute that the assessee accounted for the sale of Rs.9,72,000/- by raising invoices on DI of Schools on 30.8.2010. It is also not disputed by the revenue that the assessee has disclosed the sale of Rs.9,72,000/- in the return of income filed by the assessee for assessment year 2011-12. The assessee has also filed copy of its balance sheet evidencing the fact of showing the District Inspector of School, Koraput as the creditor in the year ended on 31.3.2010 and showing the advance made to supplier of Rs.8,19,235/- as debtors in the balance sheet. The explanation of the assessee is that on 30.12.2009, the assessee has raised proforma invoices, which were submitted to the District Inspector of School, Koraput so as to enable him to make advance payment of Rs.9,72,000/- to the assessee for supply of books to Schools nominated by the District Inspector of School, Koraput has been brushed aside by the Assessing Officer without giving any reasons. I find that the explanation of the assessee is a plausible one and can be accepted in the given facts and circumstances of the case. I also observe from the bills dated 30.12.2009 that the assessee has stated in the heading "these bills as credit bills". The same were to be given to the District Inspector of School, Koraput as an estimated price for supply of books to the designated

schools by the District Inspector of School, Koraput based on which advance payments were made to the assessee. I am of the considered view that the income can be taxed once and the same income cannot be taxed twice. It is not disputed by the revenue that the assessee has disclosed sales of Rs.9,72,000/- in its return of income for assessment year 2011-12. Therefore, same amount cannot be treated as unexplained credit of the assessee and brought to tax in the year under appeal. Hence, I set aside the orders of lower authorities and delete the addition of Rs.9,72,000/- and allow the ground of appeal of the assessee.

9. In the result, the appeal filed by the assessee is allowed.

Order pronounced in the open court on 03/01/2017 in the presence of parties.

Sd/-

(N.S Saini)

**ACCOUNTANT MEMBER**

Cuttack; Dated 03/01 /2017  
B.K.Parida, SPS

**Copy of the Order forwarded to :**

1. The Appellant : Smt. Alladina Patra, Prop.  
M/s. Ambika Book Centre, Main Road,  
Koraput
2. The Respondent. ITO, Ward-2, Jeypore
3. The CIT(A)-1, Bhubaneswar
4. CIT, Bhubaneswar.
5. DR, ITAT, Cuttack
6. Guard file.  
//True Copy//

BY ORDER,

ASST.REGISTRAR,  
**ITAT, Cuttack**

