



**IN THE INCOME TAX APPELLATE TRIBUNAL,  
RAIPUR BENCH, RAIPUR**

**BEFORE S/SHRI N.S SAINI, ACCOUNTANT MEMBER  
AND PAVAN KUMAR GADALE, JUDICIAL MEMBER**

**ITA No. 01/Rpr/2014**  
Assessment Year : 2009-2010

M/s. Bajrang Conveyors, 28, Sector-C, Industrial Estae, Sirgitti, Bilaspur	Vs.	The Income Tax Officer, - 2(1), Mahima Complex, Vyapar Vihar, Bilasopur
PAN/GIR No.AAFFB 2255 F		
<b>(Appellant)</b>	..	<b>( Respondent)</b>

Assessee by : Shri G.S.Agrawal, AR  
Revenue by : Shri O.P.Chaudhary, DR

**Date of Hearing : 11/01/ 2018**  
**Date of Pronouncement : 15 /01/ 2018**

**ORDER**

**Per Pavan Kumar Gadale, JM**

This is an appeal filed by the assessee against the order of the CIT(A)-  
Bilaspur, dated 20.8.2013 for the assessment year 2009-2010.

2. The first issue relates to disallowance of Rs.27,49,190/- by the lower  
authorities treating the same as advance received for supply of goods as  
bogus trading liability.

3. The relevant facts are like this. The assessee derives income from job  
works and manufacturing of conveyor rollers, Idlers and system. The



Assessing Officer found that the assessee has shown gross profit @ 8.94% and net profit @ 1.33% on a total turnover of Rs.1,42,69,228/- after giving interest & remuneration to partners. The assessee has maintained its books of account on mercantile system. The Assessing Officer noticed that an advance of Rs.27,49,796/- was shown as liability received by the assessee from M/s. Aditya Renewable Resources. On perusal of account of the party in the books of the assessee, it was found that Rs.27,49,796/- has been accumulated by receiving four cheques on different dates. On enquiry, the Assessing Officer gathered that there are mismatch in the account. He further found that M/s. Aditya Renewable Resources used to purchase finished goods from it and the party booked the supplied goods as purchase whereas the assessee firm has booked the same as advance. The assessee explained that the party purchased the goods for a particular project and the whole project material was not sent at a time but sent by four consignments and, accordingly, whenever the whole segment of project items were sent to the named party, then whole realization value of Rs.38,38,543/- dated 31.10.2009 had been accounted for in the next assessment year. The above explanation of the assessee was not convinced to the Assessing Officer, who observed that the assessee had converted revenue receipt of Rs.27,49,,190/- as an advance and showed it as liability in the balance sheet, whereas the liability does not exist. Therefore, he treated the amount



as bogus liability and added the same to the income of the assessee u/s.68 of the Act.

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

5. At the time of hearing, Id A.R. submitted that the addition made by the Assessing Officer with respect to transaction of Rs.27,49,190/- has been considered and the invoice was raised in the financial year 2009-2010 relevant to assessment year 2010-2011. Ld A.R. submitted the paper book disclosing copy of invoice and the calculation of the stock.

6. Ld D.R. relied on the orders of lower authorities.

7. We have heard the rival submissions, perused the orders of lower authorities and materials available on record. The undisputed facts of the case are that an advance of Rs.27,49,796/- was shown as liability received by the assessee from M/s. Aditya Renewable Resources. On perusal of account of the party in the books of the assessee, it was found that Rs.27,49,796/- has been accumulated by receiving four cheques on different dates. Before us, Id A.R. submitted that the addition made by the Assessing Officer with respect to transaction of Rs.27,49,190/- has been considered and the invoice was raised in the financial year 2009-2010 relevant to assessment year 2010-2011. To substantiate, Id A.R. submitted the paper book disclosing copy of invoice and the calculation of the stock with



documents. We are of the considered view that the assessee should be provided an opportunity to explain the details alongwith statements filed before us and the Assessing Officer has to verify whether the assessee has raised sales bills in the assessment year 2010-2011 and pass the order on merits. The Assessing Officer is directed to afford proper opportunity of hearing to the assessee before adjudicating the issue afresh.

8. The next issue relates to addition of Rs.8,60,783/- as suppressed sales.

9. Ld A.R. of the assessee submitted that the above addition is included in Rs.8,60,783/- as suppressed sales.

10. As we have restored the addition of Rs.27,49,190/- to the file of the Assessing Officer, the addition of Rs.8,60,783/- being suppressed sales is also restored to the file of the Assessing officer with the same direction as give above. This issue is also allowed for statistical purposes.

11. In the result, appeal filed by the assessee is allowed for statistical purposes.

Order pronounced on 15 /01/2018.

Sd/-

**(N.S Saini)**  
**ACCOUNTANT MEMBER**

sd/-

**(Pavan Kumar Gadale)**  
**JUDICIALMEMBER**



Raipur; Dated 15 /01/2018

B.K.Parida, SPS

**Copy of the Order forwarded to :**

1.	The Appellant : M/s. Basjrang Conveyors, 28, Sector-C, Industrial Estae, Sirgitti, Bilaspur
2.	The Income Tax Officer, -2(1), Mahima Complex, Vyapar Vihar, Bilasopur
3.	The CIT(A)- Bilaspur
4.	Pr.CIT-Bilaspur
5.	DR, ITAT, Raipur
6.	Guard file. //True Copy//

BY ORDER,

SR.PRIVATE SECRETARY  
**ITAT, Raipur**