

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

**BEFORE SHRI R.C. SHARMA, ACCOUNTANT MEMBER
AND
SHRI SANDEEP GOSAIN, JUDICIAL MEMBER**

ITA No. 13/Jodh/2019
(ASSESSMENT YEAR-2014-15)

Narayan Lal Soni, (Prop. Bhawani Jewellers), Inside Ganesh Gate, Raipur, Distt. Pali.	Vs	A.C.I.T., Circle-Pali.
(Appellant)		(Respondent)
PAN: BOHPS 5416 J		

Assessee By	Shri Ashok Kumar Jain (CA)
Revenue By	Shri Abhimanyu Singh Yadav JCIT-DR
Date of hearing	18/03/2020
Date of Pronouncement	19/03/2020

ORDER

PER: R.C. SHARMA, AM

This is an appeal filed by the assessee against the order of the CIT(A)-1, Jodhpur dated 18/10/2018 for the A.Y. 2014-15 in the matter of order passed u/s 143(3) of the Income-tax Act, 1961 [hereinafter referred to as 'the Act', for short].

2. The grievance of the assessee relates to addition of Rs. 11,75,000/- on account of book debts.

3. Rival contentions have been heard and record perused. Facts in brief are that the assessee is trading and has job work receipts from gold smithery. The return of income for the A.Y. 2014-15 was filed by the assessee on 24/09/2014 declaring total income at Rs. 32,56,810/-. IN the case of assessee, survey U/s 133A of the Act was carried out on 06/02/2014, thus the case was picked up for scrutiny and notice U/s 143(2) was issued on 15/09/2015. While completing the assessment, The A.O. made addition of Rs. 25,92,840/- on account of difference in books vis a vis stock; addition of Rs. 11,75,000/- was made on account of book debtors. The A.O. also treated the addition U/s 69 as charged tax u/s 115BBE of the Act.

4. By the impugned order the Id. CIT(A) has confirmed the addition on account of book debts and deleted the addition on account of excess stock. The assessee is in further appeal before the ITAT for the addition made on account of book debtors.

5. It was contention of the Id AR of the assessee that the addition was made only on the basis of statement of the assessee recorded during the course of survey without considering and appreciating the explanation offered by the assessee during the course of assessment proceedings. It was also contention of the assessee that the addition was

made on the basis of loose slip of paper so found during the course of survey which contained name of persons and total amount of Rs. 11,75,000/-. As per the Id AR, this is simply a slip and its correctness and authenticity even for the purpose of amount mentioned therein have been found to be unreliable having no evidentiary value. As per the Id AR, it was a dumped document and no addition was warranted.

6. On the other hand, the Id DR has relied on the order of the Id. CIT(A).

7. We have considered the rival contentions and carefully gone through the orders of the authorities below and found that the loose paper was found with regard to pending cash collection from those customers from whom cash bills were issued on their assurance of making payment by evening of 03rd February as mentioned in the explanation given to the A.O. However, the A.O. has added entire amount of sales in assessee's income which is not justified. As per our considered view, only profit element should be brought to tax. Accordingly, we direct the A.O. to tax only profit @ 5% on the alleged amount which works out to be Rs. 58,550/-. This is a business profit liable to tax at normal rate. We direct accordingly.

8. In the result, appeal of the assessee is allowed in part in terms indicated hereinabove.

Order pronounced in the open court on 19th March, 2020.

Sd/-
(SANDEEP GOSAIN)
JUDICIAL MEMBER

Sd/-
(R.C. SHARMA)
ACCOUNTANT MEMBER

Dated : 19/03/2020

*Ranjan

Copy to :

1. The Appellant
2. The Respondent
3. The CIT
4. The CIT(A)
5. The DR
6. Guard File (ITA No. 13/Jodh/2019)

Assistant Registrar
Jodhpur Bench