

**IN THE INCOME TAX APPELLATE TRIBUNAL
AMRITSAR BENCH, AMRITSAR**
**BEFORE DR. M. L. MEENA, ACCOUNTANT MEMBER
AND SH. ANIKESH BANERJEE, JUDICIAL MEMBER**

I.T.A. No. 375/Asr/2019
Assessment Year: 2010-11

M/s Rakesh Kumar Davinder Singh, Shop No. 101, New Grain Market, Jalalabad, West, Fazilka [PAN: AAJFR 9743C] (Appellant)	Vs.	Income Tax Officer, Ward 2(4), Abohar (Respondent)
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Appellant by : Sh. None

Respondent by: Sh. Sunil Gautam, CIT-DR

Date of Hearing: 11.05.2022

Date of Pronouncement: 07.07.2022

ORDER

Per Anikesh Banerjee, JM:

The instant appeal is directed against the order of Ld. Commissioner of Income Tax (Appeal) Bhatinda {in brevity CIT(A)} bearing appeal no. 218-IT/17-18 date of order 14.02.2019, passed u/s. 250(6) of the Income Tax Act, 1961 (in brevity of the Act) for the Assessment year 2010-11. The impugned order was

originated from the order of Income Tax Officer, Ward 2) Abohar, ((in brevity A.O) order passed u/s.147/143(3) of the Act date of order 26.12.2017.

2. The brief fact is that assessee is a partnership firm and doing the business of agricultural product. During the financial year, assessee made transaction with M/s. Surinder Sat Agro Foods for supply of paddy total amount of Rs.1,30,77,781.12. The notice u/s. 148 was issued in the reason the large volume of transaction with the party was out of books of accounts of the assessee firm. The assessment was completed. The ld. AO considered the business activities of the assessee added back commission @2.5% on total transaction amount to Rs. 1,30,77,781.42 which is coming amount to Rs. 3,26,945/-. Also added back with the total income amount of Rs.3,85,000/- and Rs. 3,60,907/- receipts as paddy bonus on date 18.02.2010 and 31.03.2010 respectively. Total addition was made by the ld. AO amount of Rs. 9,72,852/- aggrieved assessee to file the appeal before ld. CIT(A). The appellant Authority adjudicated the issue and reduce the percentage of commission from 2.5% to 1%. But the paddy bonus amount to Rs. 3,85,000/- and 2,60,907/- are sustained. Both the paddy bonus was reflected in the books of party. Being aggrieved assessee filed an appeal before us.

3. The ld. CIT(A) observed the transaction and considered the rate of commission which reduced from 2.5% to 1% on the total transaction with the

party. Here we are extracting the relative particular of the order of C IT(A) in page no. 8 as follows:

“3.4 I have given careful consideration to the appellant and the contentions are unfounded for the simple reason that the transactions of sale and purchase mentioned in the impounded document clearly carries the name of the appellant which shows that the transaction has been carried by the appellant only and the Assessing Officer has taken most judicious view of making addition of commission. The appellant is making a fallacious attempt to migrate independent transaction carried out by the sister concern into the impounded books without there being any cogent and convincing evidence to connect the same. Merely, because totals of some of the figures appearing in the books of accounts of the sister concern of the appellant come close/matches with the dates and entries in the impounded books it does not lead to necessity conclusion that the transactions have been incorporated in the books of the sister concern particularly in view of the fact when the name of the appellant is clearly mentioned in the ledge accounts duly maintained which have been impounded in the course of survey. The appellant has failed to produce any independent and third party evidence to show that the impounded books were being written on consolidated basis incorporating entries for all the sister concerns of the appellant. In the absence of any such documentary evidence the contentions of the appellant are mere surmises and conjectures which need to be rejected. The rate of commission applied by the AO is 2.5% for which no reasoning has been given whereas it is argued by the appellant commission in trade is far less. In absence of any evidence some guess work is involved thus rate is reduced to 1.0% the other ten additions of bonus at Rs.3,85,000/- and Rs.2,60,907/- are sustained.”

4. The Id CIT-DR weighment argued and relied on the order of the CIT(A). He further argued for sustaining the addition made by the CIT(A).

5. We considered the documents available in the record. Assessee had concealed the entire transaction with the party M/s. Surinder Sat Agro Foods during the financial year. The AO unearth the whole transaction and logically added back the commission. The paddy bonus was also reflected in the accounts,

which was also added back with the total income of the assessee. The Id. CIT(A) thoroughly adjudicated the issue and considered the rate of commission which was reduced from 2.5% to 1.0%. The addition was logical. Assessee get reasonable opportunity of hearing before both the Authorities. We found no infirmity in the order of Id. CIT(A). The addition of the assessee is sustained.

6. In the result, the appeal of the assessee is dismissed.

Order pronounced in the open court on 07.07.2022

Sd/-
(Dr. M. L. Meena)
Accountant Member

Sd/-
(Anikesh Banerjee)
Judicial Member

Copy of the order forwarded to:

- (1) The Appellant:
- (2) The Respondent:
- (3) The CIT(A),
- (4) The CIT concerned
- (5) The Sr. DR, I.T.A.T
- (6) The Guard File

True Copy
By Order