

**IN THE INCOME TAX APPELLATE TRIBUNAL
"SMC" BENCH, AHMEDABAD**

BEFORE DR. B.R.R. KUMAR, VICE-PRESIDENT

I.T.A. Nos. 777 to 779/Ahd/2023
(Assessment Year: 2011-12 to 2013-14)

Soyabmahmed Vohora L/h of Late Shirajbhai A.Vahora, 223, Paramount Society, Juna Dadar Ni Gali, Anand-388001 PAN: AGXPV 9680 N	Vs.	Income Tax Officer, Ward-1, Anand
(Appellant)	..	(Respondent)
Appellant by :	Shri M.K. Patel, Advocate	
Respondent by:	Shri Ketan Gajjar, Sr DR	
Date of Hearing	14.11.2024	
Date of Pronouncement	14.11.2024	

ORDER

These three appeals have been filed by the assessee against the separate orders passed by the Ld. Commissioner of Income-tax (Appeals), National Faceless Appeal Centre [NFAC], Delhi (hereinafter referred to as "CIT(A)" for short) of even dated 17.08.2023 passed under Section 250 of the Income-tax Act, 1961 [hereinafter referred to as "the Act" for short], for Assessment Years (AYs) 2011-12 to 2013-14.

2. The ground No.1 taken by the assessee is as under:-

"1. That on facts, and in law, the learned AO has grievously erred in re-opening of assessment u/s 147 of the Act."

This ground has not been pressed. Hence, not required to be adjudicated.

3. The only effective ground taken up by the assessee in all the appeals is as under:-

“2. That on facts, and in law, the learned NFAC has grievously erred in confirming the addition of Rs. 11,97,683/- (AY 2011-12), Rs.7,88,175/- (AY 2012-13) & Rs.69,692/- (AY 2013-14) made by AO towards difference in contra ledger accounts of debtor M/s S Nasiruddin Biri Merchant Pvt. Ltd.”

4. The relevant facts as culled out from the records are as under:-

4.1 The Assessee was engaged in the business of tobacco selling and his product was only sold to M/s SK Nasiruddin Biri Merchant P. Ltd., Kolkata. During the assessment proceedings, it was noticed by the Assessing Officer that the assessee has shown a party named M/s SK Nasiruddin Biri Merchant P. Ltd., Kolkata as his sundry creditors in the balance sheet. During the relevant years, the Assessing Officer found discrepancy between the outstanding balance recorded in the assessee's books of accounts and the corresponding entries in the books of the debtor. As the assessee was unable to provide the ledger and confirmation from M/s SK Nasiruddin Biri Merchant P. Ltd., Kolkata, to substantiate the claim, the difference was added back to the assessee's total income vide order dated 29.11.2017 passed by the Assessing Officer u/s 143(3) r.w.s. 147 of the Act for the Assessment Years under consideration.

5. Aggrieved by the order of the Assessing Officer, the assessee has carried the matter in appeal before the Id. CIT(A) who dismissed the appeal of the assessee.

6. Aggrieved, the Assessee is now in appeal before the Tribunal.

7. During the hearing, it was submitted by the Id. Counsel that the assessee is doing business in tobacco merchant he sold his product only to M/s SK Nasiruddin Biri Merchant P. Ltd., Kolkata and during the year, the assessee make business transactions with their debtors as well as his

suppliers out of that there are some transaction were made under instructions of M/s SK N. Biri Merchant P. Ltd., Kolkata and some transactions directly doing by M/s SK N. Biri Merchant P. Ltd., Kolkata to several local suppliers but without reconcile of account each other there were cumulative difference of closing balance.

7.1 The Id. Counsel has taken through the reconciliation statement showing the reasons between the ledger of the assessee and the ledger of the debtor. The reasons are as under:-

- (A) Direct payment to Harikrishna Trading Co., Mahudha for Rs.4,36,268/- against assessee's purchase of Gunny Bags as per assessee's instruction letter dated 28.06.2010.
- (B) Direct payment to M/s Gordhanbhai Dadabhai, Anand for Rs. 7,88,175/- against assessee's purchase of Gunny Bags as per assessee's instruction letter dated 05.07.2011.
- (C) Direct payment to M/s Gordhanbhai Dadabhai, Anand for Rs.5,27,727/- against purchase of Gunny Bags as per assessee's instruction letter dated 28.06.2010
- (D) Amount of Bank Commission paid on behalf of assessee for above detailed Demand Draft and others payment to assessee's suppliers for Rs. 8,688/-
- (E) Reimbursement of Travelling Expenses amounted to Rs.69,692/-
- (F) Traveling Expenses during the course of personal business visit to Kolkata, some payments directly made for travel and hotel accommodation as per their letter dated 15.11.2012.
- (G) Further, it is a fact on record that the assessee made following payments to M/s. Gordhanbhai Dadabhai, Anand:-

Date	Ch. No.	Amount (Rs.)
01/02/2011	073869 drawn on Union Bank of India.	1,00,000/-
04/03/2011	034628 drawn on Union Bank of India	1.25,000/-
	Total	2,25,000/-

7.2 It was submitted that the above amount wrongly debited to Ledger of M/s. SK N. Biri Merchant Pvt Ltd., Kolkata in assessee's Books of A/c instead of M/s. Gordhanbhai Dadabhai, Anand and, after the reconciliation of the ledger a/c of both sides, the genuine difference between each other account is Rs. 30.90.

7.3 The Id. Counsel has also submitted the following:-

- A) Copy of Debit Note issued by M/s Nasirudding Biri Merchant Pvt. Ltd., Kolkata for Rs.4,36,268, Rs 5,27,727/- and Rs 8,688/-.
- B) Copy of Credit Note issued by Vahora Sirajbhai Haji Abdulkarimbhai, Anand for Rs. 2,25,000/- Dated 05.07.2011
- C) Copy of information letter to M/s Nasirudding Biri Merchant Pvt. Ltd., Kolkata for Purchase for Rs. 4,36,268/-
- D) Copy of Ledger A/c of Shirajbhai A. Vahora in the Books of Accounts of (i) M/s Gordhanbhai Dadabhai, Anand for FY 2010-11 and (ii) M/s Nasirudding Biri Merchant Pvt. Ltd. Kolkata for FY 2010-11 which contained all missing bills/transactions for cross verification.
- F) Copy of assessee's last two detailed submissions dated 27.09.2017 and dated 10.10.2017 made before the Id. CIT(A).

8. The Id. DR reiterated the arguments of the Assessing Officer which are as under:-

"In this case, the assessee had simply filed typed ledger accounts without any signature or stamp of authorized signatory i.e. M/s Nasiruddin Biri Merchant Pvt. Ltd., Kolkata and M/s Gordhanbhal Dadabhai, Anand, without signature or any stamp these ledgers cannot accepted as genuine evidence of transactions. No ledger accounts of transactions regarding M/s Harikrupa Trading Co., Mahudha was submitted by the assessee. Further, the assessee did not produce any bank statement of the above transactions by the above parties in support of his claim. The assessee could not provide any evidence to prove the genuineness of these transactions and the same remained unexplained. Further, regarding the amount of Bank Commission paid by DD of Rs.8,688/- no evidence was produced. Further, regarding the payment of Rs.2,25,000/- by DD made to M/s. Gordhanbhai Dadabhal no evidence was produced by the assessee. Therefore, the total difference amount relevant for the F.Y.2010-11 i.e. A.Y. 2011-12 of Rs. 11,97,683/- (Rs.4,36,268/- + Rs.5,27,777/- + Rs. 8,688/- + Rs.1,00,000/- + Rs. 1,25,000/-) in the creditors of M/s. Nasiruddin Biri Merchant Pvt. Ltd., Kolkata is added back to the total income of the assessee."

9. Heard the arguments of both the parties and the perused the record. Since the difference between both the ledgers has been duly reconciled along with the relevant evidences and explanations for all the assessment years before the Tribunal, the addition made by the Assessing Officer is directed to be deleted.
10. In the result, the appeals of the assessee are allowed.

The order is pronounced in the open Court on 14.11.2024

Sd/-

**(DR. B.R.R. KUMAR)
VICE-PRESIDENT**

Ahmedabad; Dated 14/11/2024

btk

आदेश की प्रतिलिपि अग्रेषित / Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / Concerned CIT
4. आयकर आयुक्त (अपील) / The CIT(A)-
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, अहमदाबाद / DR, ITAT, Ahmedabad
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

True Copy

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आयकर अपीलीय अधिकरण, अहमदाबाद / ITAT, Ahmedabad