

**IN THE INCOME TAX APPELLATE TRIBUNAL
AGRA BENCH 'SMC' : AGRA.**

BEFORE SHRI S.RIFAUR RAHMAN, ACCOUNTANT MEMBER

**ITA No.288/AGR/2025
(Assessment Year: 2011-12)**

Somdutt Bansal,
Kashim Kha Ka Dada Dal Bazar,
Lashkar,
Gwalior – 474 009 (Madhya Pradesh).

vs.

Income Tax Officer 2(2),
Gwalior.

(PAN : AFZPB7202F)

(APPELLANT)

(RESPONDENT)

ASSESSEE BY : Shri Satish Kumar Agarwal, Advocate
REVENUE BY : Shri Anil Kumar, Sr. DR

Date of Hearing : 21.08.2025

Date of Order : 03.09.2025

ORDER

1. The assessee has filed appeal against the order of the Learned ADDL/JCIT (A)-6, Mumbai [“Ld. JCIT(A)”, for short] dated 27.03.2025 for the Assessment Year 2011-12.
2. Brief facts of the case are, the AO received information through Income-tax Officer-2(3), Gwalior vide letter dated 20.03.2018. As per the information, the assessee was taking accommodation entries through Shri Vipin Garg and Shri Amit Kumar Soni, Charki Dadri, Haryana during FY 2010-11. He observed that assessee has provided accommodation entries of Rs.6,77,320/- in its bank account through a party, M/s. Shri Radha

Krishan Traders. With the above reasons and after taking approval under section 151 of the Income-tax Act, 1961 (for short 'the Act'), notice was issued u/s 148 of the Act dated 27.03.2018 and duly served on the assessee. In response, assessee filed his return of income for AY 2011-12 declaring total income of Rs.7,17,900/-. Notices u/s 143(2) and 142(1) were issued and served on the assessee. The AO observed that during the year under consideration, assessee has declared turnover of Rs.10,06,00,309/- from the trading of edible oil. In response, ld. AR of the assessee attended and submitted relevant information, copy of Balance Sheet, Trading and Profit & Loss account, list of sundry creditors, certified copies of ledger account of M/s. Shri Radha Krishan Traders for the FYs 2009-10 & 2010-11, copy of stock summary, copy of goods sale statement and copy of bank statement of the assessee. With regard to transaction with M/s. Shri Radha Krishan Traders, assessee submitted that it is a genuine transaction carried on by the assessee in FY 2009-10 for which assessee has received payment during FY 2010-11 and submitted that the transactions are duly tallied with other parties. After considering the above submissions, the AO found that that it is not acceptable based on the statement recorded during investigation that Anil Kumari Soni has signed the documents as per the direction of Vipin Garg. Vipin Garg is an entry provider giving entries through various concerns

including M/s. Shri Radha Krishan Traders, Erode, against the commission of 0.5% to 2%. Since the assessee has transacted with the M/s. Shri Radha Krishan Traders and received payment through PNB Account, he treated the same as bogus and heavily relied on the statement recorded by Vipin Garg which is reproduced at pages 3 to 5 of the assessment order. Since Vipin Garg has accepted that the transaction was not made by the assessee, accordingly he added the abovesaid bogus entry to the income of the assessee.

3. Aggrieved, assessee preferred an appeal before the Id. CIT (A) and filed detailed submissions before the Id. CIT (A) which is reproduced at pages 4 to 10 of the impugned order. After considering the above, Id. JCIT (A) sustained the addition made by the AO with the following observations :-

“6.3 During this proceeding, the appellant has submitted whole transaction of Rs.6,77,320/- recorded in the regular books of account of the assessee and the said payment was received against the sales of edible oils previous year and said sales included in the total sales of previous year and the amount of Rs.6,77,320/- was outstanding as a debtor in the books of assessee in the schedule of debtors audited balance sheet as at 31.03.2010. The said payment received through RTGS on 01.09.2010 during the relevant year. It is further submitted that all the evidence regarding sales of goods to the M/s Radhe Krishna Traders Erode has been filed before AO in my considered opinion, based on the statements of Mr. Vipin Garg, who has accepted, in his statement-that purchase of goods has not been made and only entry has been provided on exemption basis, the AO is correct in making the addition of Rs.6,77,320/-. Hence, on the basis of above-mentioned details, the appeal is dismissed.”

4. Aggrieved with the above order, assessee is in appeal before us.
5. At the time of hearing, Id. AR brought to our notice findings of the AO from the assessment order and brought to our notice that assessee has sold the goods to M/s. Shri Radha Krishan Traders, Erode in FY 2009-10 and the payment is received during FY 2010-11 i.e. impugned AY 2011-12. In this regard, he brought to our notice pages 45 to 48 of the paper book which is the invoice dated 01.03.2010 and lorry receipt with the details of the product and the relevant settlement for which assessee has received the payment through bank, he brought to our notice page 48 of the paper book wherein assessee has submitted the bank statement. Further he brought to our notice page 10 of the appellate order and submitted that assessee has completed the transaction of sale during AY 2010-11 only received the payment for the above sale during the current AY 2011-12. He submitted that transaction is genuine and assessee has sent the relevant goods through the carrier Rekhi Speedways and submitted that the details of product also were submitted before the lower authorities. He prayed that this is a genuine transaction which is completed in Assessment Year 2010-11. The AO cannot treat the same as bogus and assessee has received the payment only in AY 2011-12.
6. On the other hand, Id. DR of the Revenue brought to our notice page 3 of the assessment order wherein AO has proceeded to treat the transaction as

accommodation entry based on the specific statement from Vipin Garg.

The assessee was given several opportunities by the AO but assessee has not filed any cogent material before him

7. In the rejoinder, Id. AR of the assessee submitted that lower authorities have given wrong findings. He submitted that the sales were concluded in the previous assessment year and transaction was duly completed which is genuine transaction. Merely relying on the statement of Vipin Garg without considering various documents submitted before them is not proper.
8. Considered the rival submissions and material placed on record. I observe that the AO has received specific information from the Investigation Wing as per which Vipin Garg has given a statement that he has provided accommodation entry to the assessee for the specific amount which was part of the information received by the AO. The transaction matches with the statement recorded by Vipin Garg. After considering the statement of Vipin Garg and the information submitted by the assessee, I observe that assessee has concluded the transaction on 01.03.2010 which is relevant for AY 2010-11. Accordingly, assessee also recorded the sales transaction in AY 2010-11. I observe that assessee has received the payment for the above transaction in the AY 2011-12. The transactions recorded by the assessee matches with the

statement given by Vipin Garg which is relating to AY 2010-11 not relevant for Assessment Year 2011-12. The AO cannot disallow an income as accommodation entry in the year of settlement i.e. in the next assessment year. I notice that transaction was completed in AY 2010-11, therefore, the AO should have disallowed the same in AY 2010-11 and not in AY 2011-12. Further, this is sales transaction and the income was already declared in the books, this is not expenditure which can be disallowed. Therefore, I am inclined to allow the appeal filed by the assessee and the disallowance made by the AO is deleted.

9. In the result, the appeal of the assessee is allowed.

Order pronounced in the open court on this 3rd day of September, 2025.

**Sd/-
(S.RIFAUR RAHMAN)
ACCOUNTANT MEMBER**

Dated: 03.09.2025
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Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals).
5. DR: ITAT

ASSISTANT REGISTRAR
ITAT, NEW DELHI