

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

**BEFORE DR. B.R.R. KUMAR, VICE-PRESIDENT  
SHRI SIDDHARTHA NAUTIYAL, JUDICIAL MEMBER**

ITA No.756/Ahd/2025  
(Assessment Year: 2012-13)

Shree Nakoda Synthetics Private Limited, 2, New Cloth Market, Outside Raipur Gate, Sarangpur, Ahmedabad-380002. [PAN :AAGCS5568 ]	Vs.	The Deputy Commissioner of Income Tax, Circle-4(1)(1), Ahmedabad.
<b>(Appellant)</b>	..	<b>(Respondent)</b>
<b>Appellant by :</b>		Shri Chetan Agarwal, AR
<b>Respondent by:</b>		Shri Rajenkumar M Vasavda, Sr. DR
<b>Date of Hearing</b>		12.08.2025
<b>Date of Pronouncement</b>		09.10.2025

**ORDER**

**PER DR. B.R.R. KUMAR, VICE-PRESIDENT:-**

This appeal has been filed by the Assessee against the order dated 18.03.2025 passed by the ADDL/JCIT(A)-1, Mumbai ('Ld. CIT(A)' in short), under Section 250 of the Income-tax Act, 1961 ('the Act' in short), relating to the Assessment Year 2012-13.

2. The assessee has raised the following grounds:

1. *The Ld.CIT(A) erred in law as well as on fact in upholding an addition of Rs.15,04,352/- made by Ld. AO on account of cheque received on third party credited to sundry debtors/sales account and declared as income.*
2. *The Ld.CIT(A) erred in law as on fact in upholding reopening of assessment on invalid, insufficient, unreasonable and vague reasons for reopening.*

3. The brief facts of the case are that the assessee is engaged in the business of trading in grey cloth on wholesale and semi-wholesale basis. The return of income for AY 2012-13 was filed on 10.09.2012 declaring income of Rs.4,91,430/-, which was accepted u/s 143(3) vide order dated 11.02.2015. Subsequently, the case was reopened under Section 147 of the Act based on information received from the ADIT (Investigation), Unit-5, Kolkata, which indicated substantial cash deposits in the bank account of M/s. Shree Ambika Services (Proprietor: Shri Om Prakash Bihani), and the subsequent transfer of funds to various entities through cheques. Upon examining several bank accounts of proprietorship concerns operated by Shri Bihani, the Assessing Officer noted that the assessee had received Rs. 15,04,362/- during the relevant year.

3.1 During the reassessment proceedings, the Assessing Officer issued notices seeking details and explanations regarding various credits in the assessee's bank account, with specific reference to cheques received from entities such as M/s. Shree Ambika Services, M/s. Shree Balaji Texofin, M/s. Shree Ambika Trading, M/s. Shree Ambika Enterprise, among others.

3.2 The assessee, vide letter dated 07.08.2019, objected to the reopening of assessment, particularly highlighting the absence of any specific information or evidence linking the amount of Rs. 15,04,362/- to any unexplained or bogus transaction. The assessee also requested details of the alleged entries and the basis for treating them as accommodation entries. However, no specific response was provided by

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the Assessing Officer and the objections raised by the assessee were disposed of on 16.08.2019, and the reassessment order was passed on 04.09.2019, adding Rs. 15,04,362/- to the returned income under Section 68 of the Act.

4. Aggrieved by the addition made by the Assessing Officer, the assessee filed appeal before the Ld. CIT(A). The Ld. CIT(A) confirmed the action of the Assessing Officer.

5. Aggrieved by the order of the Ld. CIT(A), the assessee is now in appeal before the Tribunal.

6. Before us, the Ld. AR submitted that the assessee had no direct dealings with Shri Om Prakash Bihani. The assessee is a regular trader with a turnover of Rs. 44.95 crores, and as a matter of policy, accepts payments only through banking channels against sales. It was also submitted that the cheques allegedly issued by entities linked to Shri Bihani were routed through the assessee's debtors, against outstanding dues. The Ld. AR argued that the said amount was duly recorded in the books of account as sales and reflected in the profit and loss account, and had already been offered to tax. Therefore, the same could not be taxed again under Section 68 of the Act.

7. The Ld. DR, on the other hand, supported the orders of the authorities below.

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8. We have heard the rival contentions and perused the material available on record. The primary basis for addition in this case is the receipt of Rs.15,04,362/- in the assessee's bank account via cheques allegedly linked to a network operated by Shri Om Prakash Bihani. The assessee has consistently maintained that these receipts represent sales, duly recorded in the books and reflected in the profit and loss account. It is a settled position in law that when an amount is already offered to tax as part of regular business income, the same cannot be taxed again u/s 68 unless it is demonstrated that the same is an accommodation entry and the sales are not genuine. In the present case, the Assessing Officer has not doubted the sales reported by the assessee nor put any effort to verify the same by examining the debtors' accounts. There is also no allegation that the sales were bogus. In view of the above discussion, we are of the considered opinion that the amount of Rs.15,04,362/- received by the assessee, which has already been declared as sales and included in the income, cannot be treated as unexplained cash credit u/s 68 of the Act. Accordingly, the addition is deleted.

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

**The order is pronounced in the open Court on 09.10.2025.**

**Sd/-**

**(SIDDHARTHA NAUTIYAL)  
JUDICIAL MEMBER**

Ahmedabad; Dated 09.10.2025

*\*\*bkk*

**Sd/-**

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

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**आदेश की प्रतिलिपि □ ग्रेषित/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.

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आदेशानुसार/ BY ORDER,

सहायक पंजीकार (Dy./Asstt. Registrar)  
आयकर अपीलीय अधिकरण, अहमदाबाद / ITAT, Ahmedabad