

आयकर अपीलीय अधिकरण, अहमदाबाद न्यायपीठ "डी", अहमदाबाद ।  
IN THE INCOME TAX APPELLATE TRIBUNAL  
"D" BENCH, AHMEDABAD

श्री संजय गर्ग, न्यायिक सदस्य एवं  
अन्नपूर्ण गुप्ता, लेखा सदस्य के समक्ष।

Before Shri Sanjay Garg, Judicial Member And  
Annapurna Gupta, Accountant Member

आयकर अपील सं./ITA No.313/Ahd/2024  
निर्धारण वर्ष /Assessment Year : 2018-19

Vikramkumar Kishanlal Mehta C/o. Mahesh Masala Gruh Udhyog 21, GIDC Estate Balasinor Mahisagar - 388 255	<u>बनाम/</u> <u>v/s.</u>	The DCIT Anand Circle Anand - 388 001
स्थायी लेखा सं./PAN: AQHPM 9958 I		

(अपीलार्थी/ Appellant)		(प्रत्यर्थी/ Respondent)
Assessee by :		Shri Dhinal Shah, AR
Revenue by :		Shri Sher Singh, CIT-DR

सुनवाई की तारीख/Date of Hearing : 18/12/2025  
घोषणा की तारीख /Date of Pronouncement: 21/01/2026

आदेश/ORDER

Per Sanjay Garg, Judicial Member:

The present appeal has been preferred by the assessee against the order of the Learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as 'CIT(A)'] dated 05/02/2024 passed u/s.250 of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') for the Assessment Year (AY) 2018-2019.

2. The assessee, in this appeal, has taken the following grounds of appeal:

*"1. The reopening of the assessment is bad in law in as much there is no live nexus between the information received and formation of belief.*

*2. The learned AO has erred in reopening of the assessment in as much as it is nothing but change of opinion since the AO has already examined all the transactions during assessment proceedings.*

*3. The learned CIT(A) has erred in confirming the addition of Rs. 4,34,09,924 as unexplained cash credit under Section 68 of the Act considering that the assessee has managed accommodation entries from Chaniyara Agro Industries Pvt. Ltd. and chargeable to tax under the provisions of Section 115BBE of the I.T.Act, 1961 in as much as the assessee has not brought any accommodation entry as alleged by the AO in the assessment order and it is liable to be deleted.*

*4. The learned CIT(A) has erred in confirming the addition of commission of Rs.2,17,049 under Section 69 as unexplained expenditure being 0.5% of Rs. 4,34,09,924 in as much as the assessee has not brought any accommodation entry as alleged by the AO in the assessment order and it is liable to be deleted."*

3. **Ground Nos.1 & 2:-** Vide Ground Nos.1 & 2, the assessee has contested the validity of the reopening of the assessment u/s.147 r.w.s.148 of the Act.

3.1. The brief facts of the case are that the assessee is engaged in the business of trading of edible oil. The original return of income was filed by the assessee on 31/03/2018 declaring a total income of Rs.8,30,950/-. A survey was carried out in the case of one Shri Sandip Maganbhai Chaniyara and group cases on 08/01/2021. During the post survey statement, Shri Sandip Maganbhai Chaniyara submitted a list marked as '**Annexure-3**' containing details of accommodation entries along with name of beneficiary parties to whom his concern Chaniyara Agro Industries Pvt.Ltd. had provided accommodation entries, wherein, the name of the proprietorship-concern of the assessee, M/s.Mahesh Masala Gruh Udhog was also mentioned as a beneficiary, who had received accommodation entry of

Rs.3,19,60,276/- from the said Chaniyara Agro Industries Pvt.Ltd. Accordingly, a show-cause notice u/s.148A (b) of the Act was issued by the Assessing Officer (AO) to the assessee. The assessee filed its reply denying any receipt of accommodation entry. However, the AO noticed that the assessee, during the year, had received a total amount of Rs.4,34,09,924/- from Chaniyara Agro Industries Pvt.Ltd. Since in his statement Shri Sandip Maganbhai Chaniyara had admitted to have provided accommodation entries to various beneficiaries, therefore, the AO passed an order u/s.148A(d) of the Act, rejecting the contention of the assessee and thereby reopened the assessment u/s.148 of the Act. Thereafter, the AO framed the assessment and treated the sale consideration shown to have been received by the assessee from Chaniyara Agro Industries Pvt.Ltd. as unexplained income of the assessee. The Ld. CIT(A) confirmed the addition so made by the AO.

3.2. At the outset, the Ld. Counsel for the assessee, has invited our attention to the copy of the reasons recorded for re-opening of the assessment, the contents of which for the sake of ready reference, are reproduced as under:

“ANNEXURE

- 1. As per the information flagged by the CBDT, the assessee has procured bogus purchase bills worth Rs. 3,19,60,276/- from M/s CHANIYARA AGRO INDUSTRIES PVT LTD. The key person of this company has accepted in statement on oath that the assessee has given bogus purchase bills for commission @0.05% of the values of bills. The details available have been compared with the ITR filed by the assessee in the instant case. It is noticed that the assessee has filed ITR-3 for AY 2018-19 showing sales of Rs 260185332/-and purchases of Rs. 260843140/-.*
- 2. Therefore, the information above suggests that income chargeable to tax for the Assessment Year 2018-19 has escaped assessment within the meaning of section 147 of the Income-tax Act, 1961.*

RAKESH KUMAR  
WARD-1, NADIAD”

3.3. The Ld. Counsel for the assessee has submitted that, in this case, the AO had received the information that the assessee had procured bogus purchase bills of Rs.3,19,60,276/- from Chaniyara Agro Industries Pvt.Ltd. on payment of Commission @0.05% of the value of the bills, whereas, the fact on the file was that the assessee had made sales of Rs.4,34,09,924/- to Chaniyara Agro Industries Pvt.Ltd. He has submitted that the AO, without verifying the said information with the accounts of the assessee, has reopened the assessment. He, therefore, has submitted that the re-opening of the assessment has been made by the AO on the basis of borrowed satisfaction of the Investigation Wing (IW). He has submitted that the information received from the IW was factually wrong and, therefore, the reopening of the assessment without correlating to the said information with the accounts of the assessee was bad in law. The Ld.DR, however, has relied upon the finding of the Ld. CIT(A) on these issues.

4. We have heard the rival contentions of the Ld. Representatives of the parties and gone through the record. Though, in this case, the initial information received by the AO was relating to the procurement of bogus purchase bills of Rs.3,19,60,276/- by the assessee from Chaniyara Agro Industries Pvt.Ltd., however, in the reasons recorded, in the subsequent lines, it is mentioned that the assessee had given bogus purchase bills for commission @ 0.05% to Chaniyara Agro Industries Pvt.Ltd. On the basis of aforesaid information, the AO show-caused the assessee as to why the assessment be not reopened. After considering the reply of the assessee, the AO has passed an order u/s.148A(d) of the Act, wherein, he has specifically held that the sales shown by the assessee to Chaniyara Agro Industries Pvt.Ltd. were not genuine and that the bogus transaction was done with the sole motive to, infuse of his own unaccounted income, in the guise of sale. A

perusal of the order dated 29/03/2022 passed u/s.148A(d) of the Act, shows that the assessment has been reopened by the AO, in this case, after due application of mind and after considering the facts on the file. We, therefore, do not find any infirmity in the order of the Ld. CIT(A) upholding the reopening of the assessment. Thus, Ground Nos.1 & 2 of assessee's appeal are, therefore, dismissed.

5. **Ground No.3:-** Vide Ground No.3, the assessee has agitated the confirmation of addition of Rs.4,34,09,924/- made by the AO as unexplained cash credit on account of accommodation entry received from Chaniyara Agro Industries Pvt.Ltd.

6. We have heard the rival contentions on this issue. Admittedly, the assessee is engaged in the business of trading of edible oil. Though the AO had information that Shri Sandip Maganbhai Chaniyara was engaged in providing accommodation entries through his concern - Chaniyara Agro Industries Pvt.Ltd. and that the assessee was one of the beneficiaries, however, the Ld. Counsel for the assessee, referring to the statement of Shri Sandip Maganbhai Chaniyara, as reproduced in the assessment order, has submitted that the name of the assessee was not mentioned by Shri Chaniyara in his statement recorded u/s.131 of the Act. The Ld. DR, however, has invited our attention to page No.4 of the assessment order, wherein the relevant part of the '**Annexure-3**', referred to by the AO, has been reproduced showing 32 entries/transactions done by the Chaniyara Agro Industries Pvt.Ltd. with M/s. Mahesh Masala Gruh Udhyog, a proprietorship-concern of the assessee, reflecting a total amount transferred by the said concern to the assessee through RTGS of Rs.3,19,60,276/-. Further, from the accounts of the assessee, the AO has also extracted 9 more entries/transactions of

Rs.1,14,49,648/- done by M/s.Mahesh Masala Gruh Udhog with Chaniyara Agro Industries Pvt.Ltd., totalling the total transactions of Rs.4,34,09,924/-. Therefore, the contention of the Ld.AR that the name of the assessee did not figure in the incriminating material is not tenable. Hence, the same is rejected as such.

6.1. However, the undisputed fact is that the AO has not disputed the purchases made by the assessee. The allegation of the AO is that the assessee had made bogus sales to Chaniyara Agro Industries Pvt.Ltd. The AO has added the entire sale consideration. The AO, since, has not disputed the purchases, therefore, even if we assume that the sale transaction was bogus, then the reasonable presumption is that the assessee might have sold his stock-in-trade to some other person. Therefore, when the purchases are not disputed, the entire sale consideration cannot be added by the AO, but only the profit element involved therein. Therefore, the action of the AO in adding the entire sale consideration cannot be held to be justified.

6.2. Now, in this case, the assessee has duly disclosed all the sales made to Chaniyara Agro Industries Pvt.Ltd. in his books of accounts and all the sale consideration has been received through banking channel. The profit element has already been offered for taxation. The AO has not rejected the books of accounts. There is no evidence on the file that the assessee had routed his unaccounted income through aforesaid sales transactions. It is not the case of the AO that the net profit rate offered by the assessee is less as compared to the market transactions of the same goods. The sale transactions have been duly disclosed by the assessee in the GST returns. Since the assessee has already offered the profit element on such sales for taxation,

hence, in our view, no addition is warranted in this case. The addition made by the AO is, therefore, ordered to be deleted.

7. In the result, the appeal of the assessee stands partly allowed.

**Order pronounced in the Open Court on 21/01/2026.**

**Sd/-  
(Annapurna Gupta )  
Accountant Member**

**Sd/-  
( Sanjay Garg)  
Judicial Member**

अहमदाबाद/Ahmedabad, दिनांक/Dated 21/01/2026

टी. सी. नायर, व. नि. स. / T.C. NAIR, Sr. PS

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)- (NFAC), Delhi
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण , अहमदाबाद/DR, ITAT, Ahmedabad.
6. गार्ड फाईल /Guard file.

आदेशानुसार/ BY ORDER,

सत्यापित प्रति //True Copy//

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