

IN THE INCOME TAX APPELLATE TRIBUNAL
“B” BENCH, CHANDIGARH

PHYSICAL HEARING

**BEFORE HON'BLE SHRI RAJPAL YADAV, VICE PRESIDENT
AND
HON'BLE SHRI MANOJ KUMAR AGGARWAL, AM**

**आयकर अपील सं. / ITA No.786/CHANDI/2025
(निर्धारण वर्ष / Assessment Year: 2011-12)**

ITO Sector-2 Parwanoo-173220 Himachal Pradesh	बनाम/ Vs.	M/s Saboo Tor Private Limited Trilokpur Road, Kala Amb Dist: Sirmour-173030 Himachal Pradesh
स्थायीलेखासं./जीआइआरसं./PAN/GIR No. AABCS-8995-C		
(अपीलार्थी/ Appellant)	:	(प्रत्यर्थी / Respondent)

Assessee By	:	Shri Sudhir Sehgal (Advocate) – Ld. AR
Revenue By	:	Dr. Ranjit Kaur (Addl. CIT) – Ld. Sr. DR

सुनवाईकीतारीख/ Date of Hearing	:	27-10-2025
घोषणाकीतारीख / Date of Pronouncement	:	10/11/2025

आदेश / O R D E R

Manoj Kumar Aggarwal (Accountant Member)

1. Aforesaid appeal by revenue for Assessment Year (AY) 2011-12 arises out of an order of learned Commissioner of Income Tax (Appeals), NFAC [CIT(A)] dated 08-04-2025 in the matter of an assessment framed by Ld. Assessing Officer [AO] u/s 143(3) r.w.s. 147 of the Act on 24-12-2018. The sole issue that fall for our consideration is addition made by

Ld. AO for Rs.268 Lacs on account of alleged accommodation entry. The ground raised by the revenue read as under: -

- (i) Whether on the facts and circumstances of the case and in law, the Ld. CIT(Appeals) has erred in deleting the addition of Rs.2,68,00,000/- made on account of accommodation entry as receipt of the assessee from M/s IINFC Ltd. during the year under consideration.
- (ii) Whether that while deleting the above addition of Rs. 2,68,00,000/-, the Ld. CIT(A) has erred in facts that during the course of search in the case of M/s Indiabulls group on 13.07.2016, it was found that the assessee has made bogus sale to the tune of Rs.2,68,00,000/- to M/s IINFC Ltd. during the year under consideration.
- (iii) Whether that while deleting the above addition of Rs. 2,68,00,000/-, the Ld. CIT(A) has erred to consider the fact that in the application filed before the Hon'ble Settlement Commission, the Indiabulls Group has accepted that it had taken bogus accommodation bills from various parties.
- (iv) Whether that while deleting the above addition of Rs.2,68,00,000/-, the Ld. CIT(A) has erred to consider the fact that the assessee has failed to submit conformation from the purchaser showing and confirming purchases from the assessee as a genuine sale.
- (v) Whether that while deleting the above addition of Rs. 2,68,00,000/-, the Ld. CIT(A) has erred in facts that the onus to prove the genuineness of the transaction lies upon the assessee which the assessee has failed to discharge during the course of assessment proceedings.
- (vi) The Appellant craves to add, to alter, or amend any grounds of appeal raised above at the time of hearing.
- (vii) It is prayed that the order of the Ld. CIT(A) may be revoked and that of the Assessing Officer may be restored.

Having heard rival submissions, the appeal is disposed-off as under.

2. The assessee's case was reopened pursuant to receipt of information from investigation wing stating that during search on Indiabulls group on 13-07-2016, it transpired that those group entities indulged in booking bogus purchases in their respective books of accounts by taking accommodation entries from known accommodation entry providers. During search proceedings, the sample invoices from suspicious entities vis-à-vis invoices of non-suspicious entities were compared which revealed that the invoices issued by suspicious entities had no stamping with respect to receipt of material, checking of material, forwarding to the accounts and date stamp of receipt by procurement

department. The invoices of non-suspicious entities had all these details. In settlement applications, the group accepted that it had taken bogus accommodation bills from various parties. During this year, the assessee had supplied material to one of the group entity i.e., IINFC Ltd. and received payment of Rs.268 Lacs from that entity. The same was also marked as suspicious transaction. On these facts, having formed opinion of escapement of income, the case of the assessee was reopened by issuance of notice u/s 148 on 30-03-2018. The assessee furnished documentary evidences and established that the payments of supplies were received through banking channels only. However, in the absence of confirmations from IINFC Ltd., the amount of Rs.268 Lacs was added to the income of the assessee as undisclosed receipt.

3. The Ld. CIT(A), in para 7.5 of the impugned order, observed that AO made addition merely on third-party information without making any further verification / enquiry from his end. The Ld. AO did not point out any irregularity in the documents as furnished by the assessee. The Ld. AO did not reject the books of accounts and also did not record any finding about any cash trail in respect of the accommodation entry, The assessee had already recorded this transaction as sales and the sales was accepted by Ld. AO. The assessee was not the beneficiary and therefore, there was no justification for this addition. The assessee duly furnished certificates issued by Sales Tax & Excise department which established that the sales were genuinely made by the assessee. Therefore, the relevant transactions could not be held to be

accommodation entry and accordingly, the impugned addition was deleted which has been impugned by the revenue before us.

4. It clearly emerges from the facts that the assessee has made sales to IINFC Ltd. and offered the same as revenue income. The payment of the supplies has been received through banking channels. The assessee furnished adequate documentary evidences including certificate from Sales Tax authorities regarding genuineness of sales transactions. The assessee's books are subjected to Tax Audit and the assessee has maintained quantitative details of its trading stock. The other documents as furnished by the assessee include ledger extract of IINFC Ltd., copies of invoices bearing complete details, bank statements evidencing receipt of sales proceeds through banking channels, copies of VAT returns, documents evidencing delivery of goods, relevant VAT assessment order, copies of C-Form as issued by assessee's customer etc. The assessee thus duly discharged its onus of proving the sales transactions as genuine transactions. No adverse inference could be drawn only because the confirmation from the customer was not furnished. As against this, Ld. AO merely relied upon information received from investigation wing and did not carry out any independent examination or verification of the transaction. No cash trail in support of accommodation entry has been established. The sales have been accepted and no defect has been pointed out in the books of accounts. Adding the sale transaction again as alleged accommodation entry would tantamount to double addition which is impermissible. Therefore, on the given facts, the adjudication of Ld. CIT(A) could not be faulted with. We order so.

5. In the result, the appeal stand dismissed.

Order pronounced on 10/11/2025

Sd/-
(RAJPAL YADAV)
VICE PRESIDENT

Sd/-
(MANOJ KUMAR AGGARWAL)
ACCOUNTANT MEMBER

Dated: 10/11/2025

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

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त/CIT
4. विभागीयप्रतिनिधि/DR
5. गार्डफाईल/GF

ASSISTANT REGISTRAR

ITAT CHANDIGARH