

**THE INCOME TAX APPELLATE TRIBUNAL
AHMEDABAD "D" BENCH**

**Before Dr. BRR Kumar, Vice President
And Ms. Suchitra Kamble, Judicial Member**

**ITA No. 1795/Ahd/2025
Assessment Year 2013-14**

Dharmdeep Commodities Pvt. Ltd. 301-306, Anmol Business Center, Vrundavan Colony, Nr. Navrang Six Roads, Navrangpura, Ahmedabad, Guajrat-380009 PAN: AAECD0147J (Appellant)	Vs	The DCIT, Circle-1(1)(1), Ahmedabad (Respondent)
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Assessee by: Shri Kushal Fofaria, A.R.
Revenue by: Shri Prateek Sharma, Sr. D.R.

Date of hearing : 17-12-2025
Date of pronouncement : 23-02-2026

आदेश/ORDER

Per Suchitra Kamble, Judicial Member:

This is an appeal filed against the order dated 01-07-2025 passed by National Faceless Appeal Centre (NFAC), Delhi for assessment year 2013-14.

2. The grounds of appeal are as under:-

"1. The learned CIT(A) has erred in law and on facts of the case in confirming action of ld. AO of reopening the assessment u/s. 147 of the Act. Under the facts and circumstances of the

case, the action of reopening is without jurisdiction and in not permissible either in law or on facts.

2. The learned CIT(A) has erred in law and on facts of the case in confirming action of ld. AO in making addition of purchase as well as sale transactions aggregating to Rs. 3,90,09,960/- carried on NSEL. u/s. 68 of the Act only on the basis of surmises and conjectures without any corroborative evidence.

3. Both the lower authorities failed to appreciate that Section 68 of the Act has no application in the facts and circumstances of the present case. As the transaction relates to commodity trading whereby only profit amount is exchanged, there is no credit of sum of Rs. 3,90,09,960/- in the books of accounts of the appellant.

4. Both the lower authorities failed to appreciate that the profit of Rs. 3,33,960/- arising from such purchase and sale has already been offered for tax.

5. Both the lower authorities have erred in law and on facts of the case in confirming the addition without providing appellant with the opportunity to cross examine persons whose statements had been relied upon against the appellant.

6. Both the lower authorities have passed the orders without properly appreciating the facts and they further erred in grossly ignoring various submissions, explanations and information submitted by the appellant from time to time which ought to have been considered before passing the impugned order. The action of the lower authorities is in clear breach of law and Principles of Natural Justice and therefore deserves to be quashed.

7. The learned CIT(A) has erred in law and on facts of the case in confirming action of the ld. AO in levying interest u/s. 234A/B/C/D of the Act.

8. The learned CIT(A) has erred in law and on facts of the case in confirming action of the ld. AO in initiating penalty proceedings under Section 271(1)(c) of the Act.

9. The appellant craves leave to add, amend, alter, edit, delete, modify or change all or any of the grounds of appeal at the time of or before the hearing of the appeal.

Total tax effect Rs. 1,17,02,988/-”

3. The assessee is trading in agricultural commodities mainly cotton bales and trading in future market currency and derivatives market. The assessee filed its return of income for A.Y. 2013-14 declaring total income of Rs. 97,81,460/-. The case of the assessee was selected for scrutiny. Assessment order u/s. 143(3) was passed on 29-02-2016 determining total income of Rs. 1,04,39,005/-. As per the information, the Assessing Officer observed that the transaction done by the assessee company with M/s Anand Rathi Commodities Ltd. with the original client Navratan Amla Gupta is that of buy amount to Rs. 1,93,38,000/- and total sale amount was Rs. 1,96,71,960/- totaling to Rs. 3,90,09,960/- during the year under consideration. The Assessing Officer observed that these transactions are not genuine and was not shown by the assessee. The Assessing Officer further observed that the assessee claimed bad debts of Rs. 1,63,855/- which is not allowable expenses. After recording the satisfaction and obtaining the approval from competent authority, the Assessing Officer issued notice u/s. 148 of the Act on 30-03-2021. In response to the notice u/s. 148 of the Act, the assessee company filed return of income on 06-12-2021. Notice u/s. 143(2) of the Act was issued on 14-12-2021 containing the reasons of reopening the case. The assessee company filed its objection vide letter dated 09-02-2022 in respect of reopening and the said objections were disposed of vide order dated 23-02-2022. The assessee company was asked vide notice u/s. 142(1) dated 23-02-2022 to furnish its explanation along with supporting documents and evidences in respect of transactions of Rs. 10,12,01,220/- through Anand Rathi Commodities Pvt. Ltd. on account of Client Code Modification (CCM) as the same do not appear genuine. After taking into consideration the reply of

assessee, the Assessing Officer made the addition of Rs. 3,90,09,960/- as unexplained cash credits u/s. 68 of the Act.

4. Being Aggrieved by the Assessment Order, the assessee filed appeal before the CIT(A). The CIT(A) partly allowed the appeal of the assessee.

5. The Id. A.R. submitted that the present case is clearly covered by the order of the Tribunal in assessee's own case being ITA No. 395-Ahd-2023 for A.Y. 2014-15. The Id. A.R. submitted that the Assessing Officer has not taken cognizance of the documentary evidences related to the genuineness of the transactions such as contract notes, broker ledgers and bank statements. The Assessing Officer submitted that the brokerage of Rs. 3,33,960/- on the transaction in question is part of the total profit of Rs. 6,89,010/- reflected as income from spot arbitrage under the head other income in the profit and loss account which was duly offered to tax in the return of income. The Id. A.R. submitted that the factual aspect of the present assessee's case is identical to the subsequent assessment year i.e. assessment year 2014-15.

6. The Id. D.R. relied upon the assessment order and the order of the CIT(A).

7. We have heard both the parties and perused all the relevant material available on record. It is pertinent to note

that in the present case, the profit of Rs. 3,33,960/- was earned on transaction as follows:-

Commodity	Purchase value	Sales Value	Profit
Basmati Rice	Rs. 1,93,38,000	1,96,71,960	3,33,960

The Id. A.R. at the time of hearing submitted that the client code modification appears in the assessment year 2014-15 is identical and there is no discrepancy pointed out by the Revenue related to the same. The turnover value in commodity transaction has to be taken into account in respect of profit of the said transaction. It is pertinent to note that the purchase value and the sale value should not be taken into account. The basis is only the difference to that extent which should be taken into account. Thus, the addition made under the provisions of section 68 does not justify as the assessee has given all the details of break up of the provisions, bills of expenses, bank statements and thus, the appeal of the assessee is partly allowed in consonance with the assessment year 2014-15.

8. In the result, the appeal of the assessee is partly allowed.

Order pronounced in the open court on 23-02-2026

Sd/-
(Dr. BRR Kumar)
Vice President
Ahmedabad : Dated 23/02/2026
a.k.

Sd/-
(Suchitra Kamble)
Judicial Member

आदेश की प्रतिलिपि अग्रेषित / Copy of Order Forwarded to:-

1. Assessee
2. Revenue
3. Concerned CIT
4. CIT (A)
5. DR, ITAT, Ahmedabad
6. Guard file.

By order/आदेश से,

उप/सहायक पंजीकार
आयकर अपीलीय अधिकरण,
अहमदाबाद