

IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCHES "E": DELHI

BEFORE SHRI BHAVNESH SAINI, JUDICIAL MEMBER  
AND  
SHRI O.P. KANT, ACCOUNTANT MEMBER

ITA.No.3343/Del./2015  
Assessment Year 2010-2011

M/s. Pacific Projects Ltd., 201-207, 2 <sup>nd</sup> Floor, Building No.9, DDA Service Center, Sector-5, Rohini, New Delhi – 088 PAN AAACP5269R	vs.,	The Income Tax Officer, Ward 14(1), New Delhi.
		(Respondent)

For Assessee :	Shri S.K. Goyal, C.A. And Shri Rakesh Khetan, C.A.
For Revenue :	Ms. Rakhi Bimal, Sr. D.R.

Date of Hearing :	06.11.2019
Date of Pronouncement :	08.11.2019

**ORDER**

**PER BHAVNESH SAINI, J.M.**

This appeal by Assessee has been directed against the Order of the Ld. CIT(A)-7, Delhi, Dated 19.03.2015, for the A.Y. 2010-2011, challenging the addition of Rs.31,70,000/- on account of unexplained cash credit.

2. Briefly the facts of the case are that the assessee-company was engaged in the business of Civil Engineering and Construction & Engineering of Buildings and also sell, supply, erect and to undertake repair and service of all kinds of Engineering, Electrical, Electronics, Telecommunication Goods, Instrumentation Equipments, The A.O. at the assessment stage noticed that there is an increase in share capital during the year under consideration. On query from the assessee-company, it has been submitted that out of Rs.66.80 lakhs, Rs.37.80 lakhs was received from Mr. Ram Kumar Nara and Rs.20.00 Lacs was received from Ms. Sunita Nara. The assessee-company was then asked to submit the copy of accounts with sources of funds of these persons to prove the creditworthiness and genuineness of transaction. The assessee-company submitted that both these persons have received amount of Rs.11,70,000/- and Rs.20 lakhs from their father and mother respectively, who had provided these amounts out of sales consideration of his agricultural land. The assessee-company was asked to furnish the copy of purchase and

sale deed of the agricultural land sold by the father of Sh. Ram Ram Kumar Nara and mother of Ms Sunita Nara. The assessee-company submitted copy of purchase deed as evidence of holding rights of agricultural land by the father of Ram Kumar Nara and mother of Ms Sunita Nara, whereas, no sale deed has been submitted by the assessee-company, despite giving sufficient opportunities. The assessee-company has even failed to furnish/arrange any gift deed or any documentary evidence which can prove the payment by Mr. Ram Kumar Nara and mother of Ms Sunita Nara to those individuals. In these circumstances, amount received by Mr. Ram Kumar Nara and Ms Sunita Nara from their parents remains unexplained. Accordingly, A.O. made addition of Rs.31,70,000/- on account of income from undisclosed sources.

3. The assessee-company challenged the addition before the Ld. CIT(A). The submissions of the assessee is considered by the Ld. CIT(A) and in the light of various decisions of Hon'ble Delhi High Court held that the assessee-company has not been able to prove the identity of

the share applicants as assessee-company failed to produce these persons. The creditworthiness of the said creditors with respect to the cash credit in question was also not proved. In the absence of any evidence and any bank details/cheque number etc., the Ld. CIT(A) confirmed the addition and dismissed the appeal of assessee-company.

4. We have heard the Learned Representative of both the parties.

5. Learned Counsel for the Assessee referred to in the paper book the letters written by assessee-company and filed copy of acknowledgment of return of income for the A.Y. 2010-2011 filed by Mr. Ram Kumar Nara and Ms. Sunita Nara. Copy of the ledger account of the bank are also filed in the paper book. Affidavit of Ms. Sunita Nara Dated 05.11.2019 is also filed on record. He has, therefore, submitted that assessee-company proved the identity of the investors, their creditworthiness and genuineness of the transaction.

6. On the other hand, Ld. D.R. relied upon the Orders of the authorities below.

7. After considering the rival submissions and perusal of the material on record, we do not find any merit in the appeal of assessee-company. It is well settled Law that onus is upon the assessee-company to prove identity of the investors, their creditworthiness and genuineness of the transaction in the matter. The assessee-company is required to submit atleast confirmation from these two investors and their bank statements and evidence of creditworthiness to prove genuineness of the transaction in the matter. The assessee-company further failed to produce any confirmation from both the investors and even their copy of the bank statements have not been produced before the authorities below. The assessee-company only produced copy of the ledger account of the books of the assessee-company and filed copy of acknowledgment of return filed by both these investors. In the case of Mr. Ram Kumar Nara, he has filed return of income at Rs.10,26,140/- and in the case of Ms. Sunita Nara, she filed return of income at

Rs.4,38,430/-. These facts clearly show that both these persons are not having sufficient amount with them to make investment in assessee-company. In the absence of any documentary evidences on record, it is difficult to believe the explanation of assessee-company. Thus, the assessee-company failed to prove the creditworthiness of both the investors and genuineness of the transaction in the matter. It may also be noted here that A.O. on the impugned ground noted that assessee-company has received cash amount in 13 transactions from M/s. The Abhinav Cooperative Group Housing Society. Though the Ld. CIT(A) deleted this addition and directed to take action in the case of M/s. The Abhinav Cooperative Group Housing Society, but, the fact is very clear that assessee-company has indulged in dubious activities. In the absence of any explanation and any documentary evidences on record, we do not intend to interfere with the Orders of the authorities below in confirming the addition on account of unexplained cash credit. The affidavit of Ms. Sunita Nara is Dated 05.11.2019 which was not filed before the authorities below, therefore,

no cognizance of the same could be taken at this stage. Considering the totality of the facts and circumstances of the case and in the absence of any evidence to prove the creditworthiness and genuineness of the transaction in the matter, we confirm the addition. Appeal of assessee dismissed.

8. In the result, appeal of Assessee dismissed.

Order pronounced in the open Court.

Sd/-  
(O.P. KANT)  
ACCOUNTANT MEMBER

Sd/-  
(BHAVNESH SAINI)  
JUDICIAL MEMBER

Delhi, Dated 08<sup>th</sup> November, 2019

VBP/-

Copy to

1.	The appellant
2.	The respondent
3.	CIT(A) concerned
4.	CIT concerned
5.	D.R. ITAT "E" Bench
6.	Guard File

// BY Order //

Asst. Registrar : ITAT Delhi Benches : Delhi.