

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH 'B', NEW DELHI**

**Before Sh. H. S. Sidhu, Judicial Member**

**Dr. B. R. R. Kumar, Accountant Member**

**ITA No. 5501/Del/2015 : Asstt. Year : 2011-12**

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|--|----|--|
| New Link Overseas Finance Ltd.,<br>Basement, 84 Bharat Nagar, New<br>Friends Colony, New Delhi | Vs | Deputy Commissioner of<br>Income Tax, Central Circle-11,<br>New Delhi-110055 |
| <b>(APPELLANT)</b>   |    | <b>(RESPONDENT)</b>  |
| <b>PAN No. AAACN1131A</b>  |    |  |

**Assessee by : Sh. Mohit Gupta, CA**

**Revenue by : Sh. Saras Kumar, Sr. DR**

**Date of Hearing: 19.12.2019**

**Date of Pronouncement: 04.02.2020**

**ORDER**

**Per Dr. B. R. R. Kumar, Accountant Member:**

The present appeal has been filed by the assessee against the order of Id. CIT (A)-2, New Delhi dated 18.06.2015.

2. Following grounds have been raised by the assessee:

*"1. That the orders of the Assessing Officer and the Id. Commissioner of Income Tax(Appeals)-II, New Delhi are bad in law, wrong on the facts and against the principles of natural justice.*

*2. That the Assessing Officer as well as the Id. Commissioner of Income Tax(Appeals)-II, New Delhi have erred in law and on facts in determining the total loss of the assessee company at a figure of Rs.54,25,731/- as against the returned loss of Rs.81,75,731/-.*

*3. That the Assessing Officer as well as the Id. Commissioner of Income Tax(Appeals)-II, New Delhi have erred in law and on facts in making an addition of Rs.27,50,000/- received from M/s Irfan Carpets on*

*account of repayment of loan towards its debit balance appearing in the books of the appellant company.*

*4. That the orders so framed by the Assessing Officer as well as the Id. Commissioner of Income Tax(Appeals)-II, New Delhi are bad in law against facts (to the extent as elaborated above) and needs to be quashed."*

3. A search & seizure operation was conducted at the business premises of the assessee company on 06.01.2011 in which the following receipts found and seized:

| <i>Receipt No.</i> | <i>Date of receipt</i> | <i>Amount in Rs.</i> |
|--------------------|------------------------|----------------------|
| 6831               | 08.10.2010             | Rs.7,50,000          |
| 6854               | 26.10.2010             | Rs.10,00,000         |
| 2901               | 30.12.2010             | Rs.10,00,000         |

4. During the search and subsequently on the statement record u/s 131 on 03.05.2011, it was explained that the amounts have been received from one entity named M/s Irfan Carpets against the repayment of the loan given by the assessee. During the assessment proceedings, the assessee filed copy of account of M/s Irfan Carpets depicting the debit balances. The Assessing Officer made the addition on the grounds that the transactions cannot be taken as true and manipulated.

5. The Id. CIT (A) confirmed the addition on the grounds that the assessee has not furnished any evidence to establish the creditworthiness of the party namely M/s Irfan Carpets from whom the amounts were said to have been received against the repayment of the loan.

6. During the hearing before us, the Id. AR repeated the arguments taken up before the revenue authorities. The Id. DR supported the order of the Id. CIT (A).

7. We have gone through the submissions filed by the assessee and also the copy of the ledger account of M/s Irfan Carpets. The ledger shows that the amount of Rs.4,00,000/- and Rs.3,50,000/- has been paid on 30.09.2010. It was submitted that against the receipt of this amount of Rs.7,50,000/-, the assessee has issued one consolidated receipt bearing no. 6831 for Rs.7,50,000/- on 08.10.2010. Hence, it may be treated as explained. Similarly, it was submitted that the ledger account shows that the amounts of Rs.10,00,000/- on 26.10.2010 and again on 30.12.2010 which have been duly perused.

8. We have gone through the ledger accounts which are maintained manually, the receipts issued by the assessee and the confirmations of the parties. It is a fact that the receipts have been a part of the records seized by the revenue and so as the ledger account of the assessee. They do tally and match, hence, there is no need for the revenue to take a contra view regarding the seized material consisting of the regular ledger account maintained by the assessee and the bills together. Hence, the addition made by the revenue is liable to be deleted.

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

Order Pronounced in the Open Court on 04/02/2020.

Sd/-

**(H. S. Sidhu)**  
**Judicial Member**

**Dated: 04/02/2020**

\*Subodh\*

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

Sd/-

**(Dr. B. R. R. Kumar)**  
**Accountant Member**

**ASSISTANT REGISTRAR**