

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

**Before Sh. Saktijit Dey, Judicial Member**

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

**(Through Video Conferencing)**

**ITA No. 6267/Del/2016 : Asstt. Year : 2011-12**

M/s Shivalik Dhan Kutai Udyog, C/o M/s RRA Taxindia, D-28, South Extension, Part-I, New Delhi-110049	Vs	JCIT, Range, Bulandshahr
<b>(APPELLANT)</b>		<b>(RESPONDENT)</b>
<b>PAN No. AATPS5317D</b>		

**Assessee by : Sh. Tarun Kumar, Adv.**

**Revenue by : Sh. Umesh Takyar, Sr. DR**

**Date of Hearing: 10.03.2022**

**Date of Pronouncement: 15.03.2022**

**ORDER**

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

The present appeal has been filed by the assessee against the order of the Id. CIT(A), Ghaziabad dated 26.10.2016.

2. Following grounds have been raised by the assessee:

*"1. That having regard to the facts and circumstances of the case, Ld. CIT(A) has erred in law and on facts in confirming the action of Ld. AO in making an aggregate addition of Rs. 1,53,77,235/- on account of sundry creditors and that too by recording incorrect facts and findings and without observing the principles of natural justice.*

*2. That in any case and in any view of the matter, action of Ld. CIT(A) in confirming the action of Ld. AO in making an aggregate addition of Rs.1,53,77,235/- on*

*account of sundry creditors is bad in law and against the facts and circumstances of the case."*

3. The assessee filed his income tax return on 30.09.2011 declaring loss of Rs. 31,10,164/-. The case was processed u/s 143(1) of the IT Act. Notice u/s 143(2) was issued by Assessing Officer to the assessee on 24.09.2012. In this case the assessee is derives income from Manufacturing and Trading of Rice and has shown gross turnover of Rs.2,71,85,184/- gross profit of Rs.53,17,562/- and declared net loss at Rs.30,90,165/. During the course of assessment proceeding u/s 143(3) an addition of Rs.1,53,77,235/- was made on account of creditors which were purportedly not found to be genuine.

4. As per the balance sheet, the outstanding sundry creditors were to the tune of Rs.2.28 crores. The AO issued notice u/s 133(6) of the Income Tax Act, 1961 to 23 parties. The sundry creditors are mostly situated in GB Nagar and Bulandshahr areas. None of the 23 parties complied to the notices issued. After considering the purchases made through APMC, Sikandrabad and old creditors, the AO added an amount of Rs.1.53 crores pertaining to 18 sundry creditors.

5. During the appellate proceedings, the AO submitted report to the Id. CIT(A) that sudden confirmations from 8 parties have been received but the details have been incomplete. The Id. CIT(A) held that reply of 8 parties have been received but they did not furnish copy of return or ledger account. In respect of remaining 8 parties no confirmation would be received. The Id. CIT(A) has also held that all the confirmations filed before the AO appear to have been made by the same person. Holding thus, the Id. CIT(A) confirmed the addition.

6. We have gone through the entire issue and examine the confirmations filed before the revenue authorities. The confirmations cannot be brushed aside on the grounds that they appear to have been made by the same person. Having received the confirmations, it is for the revenue to bring on record as to how the transactions as confirmed by the parties are bogus. Hence, we hereby direct the AO to delete the additions made on account of sundry creditors whose confirmations have been duly filed.

7. In the result, the appeal of the assessee is allowed  
Order Pronounced in the Open Court on 15/03/2022.

Sd/-

**(Saktijit Dey)**  
**Judicial Member**

**Dated: 15/03/2022**

**\*Subodh Kumar, Sr. PS\***

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**