

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

SHRI SANJAY GARG, JUDICIAL MEMBER

**ITA No.3209/Del/2019
Assessment Year : 2015-16**

M/s GLX Chemicals Pvt. Ltd. 10C, Sehgal Colony, Court Lance, Civil Lines, New Delhi-110054	vs	CIT(A)-22, Room No.317-A & 317-B, Drum Shaped Building, I.P. Estate, Delhi-110002
PAN-AADCG2216N		
APPELLANT		RESPONDENT

Appellant by	None
Respondent by	Sh. Sanjay Kumar, Sr. DR
Date of Hearing	22.06.2022
Date of Pronouncement	22.06.2022

ORDER

This present appeal has been preferred by the assessee against the order dated 30.01.2019 of the Ld. Commissioner of Income Tax (Appeals) - 22, New Delhi [hereinafter referred to as 'CIT(A)'] pertaining to AY 2015-16.

2. No one has put in appearance on behalf of the assessee despite notices issued. A perusal of the case file shows that the case has fixed several times and notices have been issued to the assessee but none appeared on behalf of the assessee. It shows that the assessee is no more interested in prosecuting it's appeal. In view of the above, I proceeded to decide the appeal on merit after hearing the Ld. DR and after going through the record.

3. The assessee has taken following grounds of appeal.
- 1) *Because the Ld. CIT(A) has erred both in law and on facts in confirming the addition of Rs. 22,92,792/-out of addition of Rs.36,75,516/- made by the Assessing Officer by treating the sundry creditor as unexplained Cash Credit u/s 68.*
 - 2) *Because the Ld. CIT(A) should have deleted the addition of Rs. 22,92,792,- made by the Assessing Officer treated the sundry creditor as the unexplained cash credit even most of creditor are old outstanding and were genuine and to be paid/settled in future. All the creditors are genuine and business transactions have been entered with them. The Ld. CIT(A) has erred in confirming the same.*
 - 3) *Because the Ld. CIT(A) has mis-interpreted the contention of the assessee. The assessee contended that the business of the assessee is “in the process of closing down”. The Ld. CIT(A) interpreted the contention as “the business has been closed down”.*
 - 4) *Because the Ld. CIT(A) erred in defying the contention of the assessee that the assessee company is in the process of recovering dues from the sundry debtors and clearing the dues of sundry creditors and if not able to clear sundry creditors dues, all such sundry creditors shall be written off during current financial year i.e. 2018-19.*
4. The sole issue involved in this appeal is relating to the additions made by the Assessing Officer (in short ‘the AO’) into the income of the assessee on account of non-paid sundry creditors. The AO noticed that six sundry creditors amounting to Rs.36,75,516/- were outstanding. The AO made enquiries by issuing notices u/s 133(6) of the Act. However, no proper reply was received from the concerned parties. The AO further noted that in case of M/s Mahadev Enterprises, the notice issued was returned back unserved with postal remark that ‘no such address’. Further, M/s

Person Chem Resources, in its reply to the AO denied having any transaction with the assessee. The AO, therefore, concluded that the assessee did not have any liability of payment towards the aforesaid creditors and added the amount of Rs.36,75,516/- into the income of the assessee.

5. Before the Ld. CIT(A), the assessee submitted that the aforesaid creditors were in fact sundry creditors who had supplied the goods to the assessee in preceding year. The assessee also furnished evidence of payment of Rs.13,82,728/- to one of the party M/s Chaitanya Chemicals Corp.

The Ld. CIT(A) considering the aforesaid facts, deleted the addition in respect of M/s Chaitanya Chemicals Corp. However, he observed that the assessee did not make payment to any other party. Further, the Ld. CIT(A) noted that even the assessee has already returned back most of the creditors except the aforesaid six creditors out of which the payment was made to one of the party. He observed that the business of the assessee had already been closed down. The Ld. CIT(A), therefore, agreed with the conclusion made by the AO that the credit balance in respect of remaining five creditors was neither paid nor outstanding, and hence the same was required to be added to the income of the assessee.

6. Before this Tribunal several opportunities have been given to the assessee but neither any explanation has been furnished nor any details

have given by the assessee to show that any payment has been made to the aforesaid creditors. Considering the overall facts and circumstances of the case, I do not find any reason to interfere with the order of the Ld. CIT(A) and the same is upheld.

6. In the result, the appeal filed by the assessee stands dismissed.

Order pronounced in the open Court on 22.06.2022.

Sd/-
(SANJAY GARG)
JUDICIAL MEMBER

Delhi;

Dated: 22/06/2022.

Shekhar

Copy forwarded to:

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

ASSISTANT REGISTRAR
ITAT, NEW DELHI