

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

**BEFORE SHRI S. RIFAUR RAHMAN, ACCOUNTANT MEMBER
and
SHRI SUDHIR PAREEK, JUDICIALMEMBER**

**ITA No.2186/DEL/2024
(Assessment Year : 2013-14)**

**ITA No.2187/DEL/2024
(Assessment Year : 2014-15)**

**ITA No.2188/DEL/2024
(Assessment Year : 2015-16)**

DCIT,
Jhandewalan Extension,
New Delhi.

vs.

Shivangi Garments Private Limited,
A-2/170, Sector-03, Rohini
New Delhi

(PAN: AALCS3264J)

(APPELLANT)

(RESPONDENT)

ASSESSEE BY : Ms. Shilpi Jain, CA

REVENUE BY : Shri Dharm Veer Singh, CIT-DR

Date of Hearing : 22.08.2024

Date of Order : 16.10.2024

ORDER

PER S. RIFAUR RAHMAN, AM :

1. These three appeals are filed by the Revenue against the separate orders of Id. Commissioner of Income-tax (Appeals)-29, New Delhi (hereinafter referred to 'Ld. CIT (A)') all dated 28.02.2024 for Assessment Years 2013-14, 2014-15 & 2015-16 respectively.

2. Since the issues are common and the appeals are connected, hence the same are being disposed off by this common order. We are taking appeal being ITA No.2186/Del/2024 for AY 2013-14 as lead appeal and relevant grounds raised by the Revenue are as under :

“1. That on the facts and in the circumstances of the case, the ld. CIT(A) has erred in deleting the addition of Rs. 4,62,77,975/- made on account of undisclosed sources u/s. 68 for unexplained entries in bank account ignoring the fact that assessee has failed to produce any concrete and any additional evidence in support of its contention.

2. The Ld. CIT(A) has erred in deleting the addition of Rs. 1,15,695/- made on account of unaccounted commission @ 0.25% ignoring the fact that this commission charged @ 0.25% by the conduit concern i.e. the assessee company was used for running the business of facilitating accommodation entries.

3. That the order of the CIT(A) is perverse, erroneous and is not tenable on facts and in law.

4. That the grounds of appeal are without prejudice to each other.”

3. At the time of hearing, ld. DR for the Revenue brought to our notice brief facts of the case that Anand Kumar Jain is the accommodation entry provider who controls several companies in order to provide such accommodation entries, one of such entities is Shivangi Garments Pvt. Ltd.. The additions were made in the hands of Anand Kumar Jain on substantive basis and in order to protect the interest of the Revenue, the addition was made on protective basis in the hands of the assessee. He brought to our

notice the relevant additions made by the Assessing Officer in his order at page 6 and also brought to our notice the relevant commissions not offered by the assessee, the same was added by the Assessing Officer which is justified. He submitted that ld. CIT (A)'s direction is not proper with regard to commission income and submitted that this issue may be remitted back to Assessing Officer for proper verification. He submitted that the commission income also deleted by the ld. CIT (A) based on the finding that the commission income was already disclosed on substantive basis in the hands of Anand Kumar Jain and he submitted that it needs verification.

4. On the other hand, ld. AR for the assessee submitted that the substantive addition made by the Assessing Officer in the hands of the assessee in the respective years are already offered to tax in the hands of Anand Kumar Jain and also relevant commission was disclosed by Anand Kumar Jain and offered to tax. He brought to our notice the decision of coordinate Bench in the case of Anand Kumar Jain in ITA No.1318/Del/2019 & 2889/Del/2019 consolidated order dated 28.04.2023. He submitted that the commission income was also clearly offered to tax in the hands of Anand Kumar Jain and he supported the findings of ld. CIT (A).
5. Considered the rival submissions and material placed on record. We observed that the protective additions are made in the hands of the assessee

in all the three assessment years under consideration. Ld. AR for the assessee brought to our notice decision of coordinate Bench in the case of Anand Kumar Jain (supra) who controls the assessee company, which is one of the companies, which was utilised to provide accommodation entries. The assessee company being a conduit company, addition was made on protective basis by the Assessing Officer by observing that the assessee has acted as conduit company for providing accommodation entries to the beneficiaries. Appropriate action in the case of beneficiary is to be taken by the concerned Assessing Officer. Since the addition was made on protective basis and the addition was made substantive basis in the hands of beneficiaries, we observed that Id. CIT (A) has deleted the same. It is a fact on record that assessee has acted only as a conduit entity therefore, we do not see any reason to disturb the findings of Id. CIT (A) in this regard. Accordingly, the ground raised by the Revenue is dismissed.

6. With regard to commission income which was made on substantive basis in the hands of the assessee, however it is brought to our notice that Anand Kumar Jain who is the provider of accommodation entries, who is the main person, has established these dummy and conduit entities and he has earned the commission income and the same was offered to tax and also confirmed by the coordinate Bench in the case of Anand Kumar Jain (supra) which is

placed on record, therefore, the same income cannot be subject to tax twice. Therefore, even on the issue of commission, we are not inclined to disturb the findings of the Id. CIT (A). Accordingly, this ground of appeal is also dismissed.

7. In the result, the appeal being ITA No.2186/Del/2024 filed by the Revenue is dismissed.
8. With regard to appeals for AYs 2014-15 & 2015-16, since the facts are exactly similar to AY 2013-14 our above findings in AY 2013-14 are applicable *mutatis mutandis* in AYs 2014-15 & 2015-16. Accordingly, the appeals being ITA Nos.2187 & 2188/Del/2024 for AYs 2014-15 & 2015-16 filed by the Revenue are dismissed.
9. To sum up : all the three appeals filed by the Revenue are dismissed.

Order pronounced in the open court on this 16th day of October, 2024.

**Sd/-
(SUDHIR PAREEK)
JUDICIAL MEMBER**

**sd/-
(S. RIFAUR RAHMAN)
ACCOUNTANT MEMBER**

**Dated : 16.10.2024
TS**

Copy forwarded to:

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

ASSISTANT REGISTRAR
ITAT, NEW DELHI