

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

**BEFORE MS. MADHUMITA ROY, JUDICIAL MEMBER, AND  
SHRI NAVEEN CHANDRA, ACCOUNTANT MEMBER**

ITA No. 1296/DEL/2024 [A.Y. 2017-18]  
ITA No. 1297/DEL/2024 [A.Y. 2020-21]

Shivam Betelnut Pvt. Ltd  
A-204A, Nort Ex Mall  
Sector - 9, Rohini  
New Delhi

Vs.

The A.C.I.T  
Circle - 22(2)  
New Delhi

PAN - AAUCS 0489 A

(Applicant)

(Respondent)

Assessee By : None

Department By : Shri Mahesh Kumar, CIT-DR

Date of Hearing : 12.08.2025

Date of Pronouncement : 22.08.2025

**ORDER**

**PER NAVEEN CHANDRA, A.M:-**

The above captioned two separate appeals by the assessee are preferred against 2 separate orders of the NFAC, Delhi dated 27.01.2024 for A.Ys 2017-18 and 2020-21 respectively.

2. Since common grievance is involved in the captioned appeals, they were heard together and are disposed of by this common order for the sake of convenience and brevity.

3. None appeared on behalf of the assessee. We decided to proceed after hearing the ld. DR. The ld. DR was heard at length. Case records carefully perused.

**ITA No.1296/DEL/2024**

4. Briefly stated, the facts of the case are that the assessee had e-filed his return of income for the year under consideration on 30.10.2017 declaring total income of Rs. NIL. Information was received from Investigation through Insight Portal that the assessee had sold shares of a penny scrips, of Alankit Limited amounting to Rs.1,58,366/- which is one of the penny stock companies as identified by Investigation wing.

5. This company was engaged in the activity of providing accommodation entry by accepting undisclosed cash. In this case GST department had conducted search in the factory premises of the assessee company and after conclusion of search forwarded information

regarding bogus purchases amounting to Rs. 73,83,76,480/- during the year under consideration.

6. On the basis of the information and on enquiry the assessing officer had reason to believe that total income of the assessee to the extent of Rs. 74,19,41,815/- is chargeable to tax on account of above transaction has escaped from assessment within the meaning of explanation 2(b) of the Section 147 of the Income-tax Act, 1961 [the Act, for short] for the A.Y. 2017-18. The assessee had taken accommodation entry from Alok Kumar Agarwal or his associates own or controlled by him.

7. A search and seizure action was carried out in the case of Alok Kumar Agarwal and Naresh Manakchand Jain. Evidence recorded during the course of search proceedings clearly establish that Shri Alok Kumar Agarwal, the key promoter of the Alankit Group was involved in providing accommodation entries to various beneficiaries by way of facilitating acquisition of shares of several Kolkata based shell entities for his clients and facilitating introduction of bogus share capital including premium/bogus unsecured loans from Kolkata based paper companies.

8. Finding no plausible reply to the notices issued, the Assessing Officer assessed the total income of the assessee at Rs. 74,50,18,964/-.

9. Aggrieved, the assessee went in appeal before the ld. CIT(A) who gave part relief to the assessee.

10. Aggrieved further, the assessee is in appeal before us.

11. We have heard the rival submissions and have perused the relevant material on record. We find that the ld. CIT(A) has given a finding which reads as under:

**"6.5.2 The Assessing Officer has elaborately discussed the nature of transaction undertaken by the appellant and the findings of the GST department to hold that the purchases to the extent of Rs.73,83,76,480 determined by the GST department at the time of search in the premises of the appellant premises was bogus. The modus operandi adopted by the appellant company was unearthed by the GST department. The findings of the GST department forms a concrete information to assess the income of the appellant for the said assessment year. The GST department made a detailed analysis of quantity of production that would have been done based on the consumption of materials and the manufacturing cost incurred in the premises stated to be unregistered for the purpose of GST.**

Assessing Officer has pointed out that:

The assessee failed to explain the nature and sources of expenditure against the unaccounted purchase of Rs. 73,83,76,480/-. Prima facie onus lies on the assessee to prove with substantive documents to explain the nature and sources of expenditure made by the assessee, but the assessee failed to discharge its onus. In view of this Rs.73,83,76,480/- is being added to the total income of the assessee as per the provision of section 69C of the Income Tax Act, 1961, which is taxable as per the provision of section 115BBE of the Income Tax Act, 1961. TAX DEP

At the time of appellate proceedings, the appellant has submitted the documents which were produced before the Assessing Officer and the Assessing Officer has observed that the appellant has produced the copy of ledger extracts only in respect of recorded purchases and copy of financial statements and there were no details furnished in respect of the unaccounted purchases to prove that the said amount quantified by the GST authorities cannot be taken into consideration. Appellant did not furnish any copy of assessment order or the appellate order passed consequent to the search by the GST authorities in its favour to hold that the determination of bogus purchases of Rs.73,86,76,480 was revised subsequently or reduced by the appellate forum. On the date of passing the assessment order, there were no orders reversing the adoption of bogus purchases and at the time of appellate

proceedings also, appellant did not bring on record any revision order to alter the assessment of bogus purchases.

The judicial precedent relied upon by the appellant in the case of *Zirconia Cera Tech Glazes Vs DCIT (ITAT Ahmedabad)* is distinguishable to the facts of the case as the said order emanated from the adoption of estimation of profit and the facts are entirely different even though similar search was conducted by the GST. After the issue of show cause notice holding that the transaction volume represents bogus purchases, nothing was brought on record to prove that the claim of the GST authorities is incorrect.

In view of the above factual matrix, the addition made by the Assessing Officer to the extent of Rs.73,86,76,480 is upheld. This ground is "Dismissed".

12. After carefully going through the order of the first appellate authority, we find no reason to deviate from the findings arrived at by the Id. CIT(A). The additions sustained by the Id. CIT(A) are quite justified and well-reasoned. We, therefore, confirm the findings of the Id. CIT(A) and dismiss the grounds of appeal raised by the assessee.

13. As a result, the appeal of the assessee is dismissed.

ITA No. 1297/DEL/2024

13. The only issue is regarding the addition of purchase amount of Rs. 26,80,71,016/-.

14. The assessee made purchases from different parties amounting to Rs. 26,80,71,016/- which was added back to the income of the assessee on account of unexplained expenditure u/s 69C of the Act by the Assessing Officer.

15. Aggrieved, the assessee went in appeal before the Id. CIT(A).

16. The Id. CIT(A) confirmed the addition by observing that “every person or a company while making a claim of purchases or any expenditure, ought to maintain its records in such a manner that the documentary evidence supporting the claim are properly presented before the authorities. Beyond the production of documentary evidence in the form of bills and banking statement and even the existence of the parties, there are important ingredients which are crucial to prove the claim that it is genuine by way of filing confirmation from the parties

who have sold the items to the appellant. The point for consideration arises when the transactions are voluminous and the said purchases were properly admitted as sales by the party who had sold the items to the appellant since, the said parties from whom purchases have been made are not small-scale suppliers who will vanish within a short period”.

17. Aggrieved, the assessee is in appeal before us.

18. We have heard the rival submissions and have perused the relevant material on record. We find that the ld. CIT(A) has held that the onus lies on the assessee to prove the genuineness of the transaction with corroborative evidence such as confirmation, copy of ledger extract admitting the sales and its capacity to sell such voluminous products and copy of return of income. Since the assessee did not produce any confirmation from the parties and was also involved in transactions with one of the suppliers, who is known for providing accommodation entries for bogus purchases as per the report of the Verification Unit. Therefore, the ld. CIT(A) held that it is clearly proved that the transactions are not genuine. In view of the above factual matrix, the addition made by the Assessing Officer under Sec. 69C of the Act amounting to Rs.26,80,71,016 was upheld. We find no lacuna in the findings of the ld.

CIT(A) and no reason to interfere with the same. We uphold the findings of the ld. CIT(A).

19. As a result, the appeal of the assessee is dismissed.

20. In the result, the appeals of the assessee in ITA Nos. 1296 and 1297/DEL/2024 are dismissed.

The order is pronounced in the open court on 22.08.2025.

Sd/-

**[MADHUMITA ROY]**  
**JUDICIAL MEMBER**

Sd/-

**[NAVEEN CHANDRA]**  
**ACCOUNTANT MEMBER**

Dated: 22<sup>nd</sup> AUGUST, 2025.

VL/

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asst. Registrar,  
ITAT, New Delhi

Sl No.	PARTICULARS	DATES
1.	<i>Date of dictation of Tribunal Order</i>	.
2.	<i>Date on which the typed draft Tribunal Order is placed before the Dictation Member</i>	
3.	<i>Date on which the typed draft Tribunal Order is placed before the other Member</i>	
4.	<i>Date on which the approved draft Tribunal Order comes to the Sr. P.S./P.S.</i>	
5.	<i>Date on which the fair Tribunal Order is placed before the Dictating Member for pronouncement</i>	
6.	<i>Date on which the signed order comes back to the Sr. P.S./P.S</i>	
7.	<i>Date on which the final Tribunal Order is uploaded by the Sr. P.S./P.S. on official website</i>	
8.	<i>Date on which the file goes to the Bench Clerk alongwith Tribunal Order</i>	
9.	<i>Date of killing off the disposed of files on the judiSIS portal of ITAT by the Bench Clerks</i>	
10.	<i>Date on which the file goes to the Supervisor (Judicial)</i>	
11.	<i>The date on which the file goes for xerox</i>	
12.	<i>The date on which the file goes for endorsement</i>	
13.	<i>The date on which the file goes to the Superintendent for checking</i>	
14.	<i>The date on which the file goes to the Assistant Registrar for signature on the Tribunal order</i>	
15.	<i>Date on which the file goes to the dispatch section</i>	
16.	<i>Date of Dispatch of the Order</i>	