

IN THE INCOME TAX APPELLATE TRIBUNAL, DELHI 'E' BENCH,
NEW DELHI

BEFORE SHRI CHALLA NAGENDRA PRASAD, JUDICIAL MEMBER, AND
SHRI NAVEEN CHANDRA, ACCOUNTANT MEMBER

ITA No. 1253/DEL/2025 [A.Y. 2021-22]

The Dy. C.I.T
Central Circle - 1
Noida

Vs. M/s Kurele Packaging Pvt Ltd
G-23, Site No. 1, Panki
Industrial Area, Kanpur
Uttar Pradesh

PAN - AAACK 5778 J

(Applicant)

(Respondent)

Assessee By : Shri U.S. Gupta, CA
Department By : Ms. Ankush Kalra, Sr. DR

Date of Hearing : 12.11.2025
Date of Pronouncement : 21.01.2026

ORDER

PER NAVEEN CHANDRA, ACCOUNTANT MEMBER:-

This appeal by the Revenue is preferred against the order of the Id.
CIT(A)-3, Noida dated 16.12.2024 pertaining to A.Y. 2021-22.

2. The Revenue has taken the following Grounds of Appeal:

1. *Whether on facts and circumstance of the case and in law, Ld. CIT (A)-3. Noida has erred in admitting additional evidence submitted by the assessee during appellate stage in contravention to the letter and spirit of Rule 46A of the Income Tax Rule, 1962 as the assessee failed to prove that it was prevented by sufficient cause from producing the same before the Assessing Officer*
2. *Whether on facts and circumstances of the case and in law, Ld. CIT(A)-3. Noida has erred in deleting the addition of Rs. 5,10,76,762/-made u/s 68 of the Act on account of unexplained credit in the books of accounts of the assessee, without appreciating the facts that the assessee during the course of assessment proceedings failed to discharge the onus of creditworthiness and genuineness of the alleged loans.*
3. *Whether on facts and circumstances of the case and in law, Ld. CIT(A)-3, Noida has erred in deleting the addition of Rs. 1,03,52,729/-made by the AO on account of gross profit, ignoring the facts that the assessee during the course of assessment proceedings failed to produce the supporting details and documents with regard to costs and expenditure amounting to Rs. 13,18,68,412/- claimed by it in the profit and loss account. Hence, the AO was justified in invoking the provisions of section 145(3) of the Act and estimating the GP @ 8% of total turnover as declared by the assessee.*
4. *That the appellant craves leave to add, modify, amend or delete any of the grounds of appeal at the time of hearing and all the above grounds are without prejudice to each other*

3. At the very outset, the ld. counsel for the assessee submitted there was search in the case of the assessee wherein no adverse material or any incriminating material was found during the course of search. The Assessing Officer made assessment ex parte u/s 144 of the Income-tax Act, 1961 [the Act, for short] and added that the secured bank loans and loans which were

carried forward u/s 68 of the Act. The ld AR submitted that the AO, without any cogent materials of specific defects in the books, rejected the same and estimated profit at rate of 8% of turnover.

4. The ld. counsel for the assessee continued by saying that the ld. CIT(A) has rightly deleted all the additions made by the Assessing Officer on the basis of documents produced before him. The ld. counsel for the assessee further submitted that the additional evidences filed before the ld. CIT(A) were confronted to the Assessing Officer who, in his remand report, remained silent on the relevance of the evidences filed before the ld. CIT(A) supporting his contentions.

5. Per contra, the ld. DR relied on the orders of the Assessing Officer.

6. We have heard the rival submissions and have perused the relevant material on record. We find that the additional evidences submitted before the ld. CIT(A) have been duly confronted to the Assessing Officer by the CIT(A) vide his letter dated 12.07.2024. In his remand report, the AO vide his report dated 11.11.2024, contested the action of the CIT(A) in admitting the additional grounds by submitting that the assessee was granted opportunities but it failed to avail the same and therefore the conditions of Rule 46A was not satisfied. The AO

however, made no comments on the additional evidences as well as the reasons furnished by the assessee which prevented it from making submissions before the AO such as Directors being infected with Covid-19 and lack of reasonable time to file voluminous documents. We are therefore of the view that there is no contravention of Rule 46A of the Rules. Ground 1 is dismissed.

7. With respect to ground 2 regarding addition of credits in the books of account, the assessee submitted that the said credit are out of secured loan and carry forward of loans. We find that the ld DR could not controvert that credit in the banks which were added u/s 68 of the Act, were not the outstanding balances of secured bank loans and outstanding unsecured loans of previous years which were carried forward. The ld DR also did not controvert that there was no incriminating material found in the course of search. We, therefore, find no fault in the order of the ld. CIT(A) and decline to interfere with the same. Ground 2 is dismissed.

8. With respect to addition on GP, the CIT(A), after analysing the assessments made u/s 143(3) for AYs 2019-20 & 2022-23, found that they were completed at returned income and the books of accounts have been

accepted. The CIT(A) held that in the instant year, the books were rejected only for the reason that the assessee was not able to produce the complete documents during the assessment proceedings which was because of the precarious health condition of the Director. Considering the history of the case, and having found no specific defects in the books, and on the basis of remand report, as also the comparison of GP rate of 4.67% during the year under consideration with 4.60% during AY 2019-20 and 3.92% during AY 2018-19, held that the rejection of the books of accounts was uncalled for and the deleted the addition on GP made by the AO. We find that the reasons adopted by the CIT(A) is fair and justified, hence we have no occasion to interfere with his decision. Ground 3 is dismissed.

9. In the result the appeal of the Revenue in ITA No. 1253/DEL/2025 is dismissed.

The order is pronounced in the open court on 21.01.2026.

Sd/-

[CHALLA NAGENDRA PRASAD]
JUDICIAL MEMBER

Sd/-

[NAVEEN CHANDRA]
ACCOUNTANT MEMBER

Dated: 21st January, 2026

VL/

Copy forwarded to:

1. Assessee
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 order is placed before the Dictating Member</i>	
3.	<i>Date on which the typed draft order is placed before the other Member [in case of DB]</i>	
4.	<i>Date on which the approved draft order comes to the Sr. P.S./P.S.</i>	
5.	<i>Date on which the fair Order is placed before the Dictating Member for sign</i>	
6.	<i>Date on which the fair order is placed before the other Member for sign [in case of DB]</i>	
7.	<i>Date on which the Order comes back to the Sr. P.S./P.S for uploading on ITAT website</i>	
8.	<i>Date of uploading, inf not, reason for not uploading</i>	
9.	<i>Date on which the file goes to the Bench Clerk</i>	
10.	<i>Date on which the file goes for Xerox</i>	
11.	<i>Date on which the file goes for endorsement</i>	
12.	<i>The date on which the file goes to the Superintendent for checking</i>	
13.	<i>Date on which the file goes to the Assistant Registrar for signature on the order</i>	
14.	<i>Date on which the file goes to the dispatch section for dispatch the Tribunal order</i>	
15.	<i>Date of Dispatch of the Order</i>	
16.	<i>Date on which the file goes to the Record Room after dispatch the order</i>	