

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

**BEFORE SHRI YOGESH KUMAR US, JUDICIAL MEMBER, AND
SHRI NAVEEN CHANDRA, ACCOUNTANT MEMBER**

ITA No. 6087/DEL/2016 [A.Y 2012-13]

ITA No. 6089/DEL/2016 [A.Y 2014-15]

The A. C.I.T
Central Circle - 27
New Delhi

Vs. M/s Pearls Buildwell Infrastructure Ltd
409-410, Padma Tower - II
Rajendra Place, New Delhi

PAN: AACCP 7916 R

(Applicant)

(Respondent)

Assessee By : Shri Arvind Jindal, CA

Department By : Shri Sumer Singh Meena, CIT- DR

Date of Hearing : 08.12.2025

Date of Pronouncement : 21.01.2026

ORDER

PER NAVEEN CHANDRA, ACCOUNTANT MEMBER:-

The above captioned two separate appeals by the Revenue are preferred against the order of the Id. CIT(A) - 31, New Delhi dated 28.09.2016 pertaining to A.Ys. 2012-13 and 2014-15 respectively.

2. Since the underlying appeals were heard together and the facts in issues are identical, both these appeals and cross objections are being disposed off by this common order for the sake of convenience and brevity, though the quantum may differ.

3. Grounds of Appeal taken by the Revenue are:

1. On the facts and in the circumstances of the case, the Ld. CIT(A) has erred in law and on facts in deleting the expenditure (i.e. Rs 3,78,58,892/-) treating them as unascertained trade liabilities without giving any opportunity to the AO for verifying the submissions filed by AR which he has not submitted before AO.

2. On the facts and in the circumstances of the case, the Ld. CIT(A) has erred in law and on facts in restricting the addition of Administrative & Employee expenses (i.e. Rs 62,57,170/-) to 10% in absence of any bills and vouchers, when assessee has not produced them to enable the AO to point out defects.

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.

5. That the appellant craves leave to add, amend, alter or forgo any ground(s) of appeal either before or at the time of hearing of the appeal.

4. Brief facts of the case are that the assessee-company is primarily engaged in the business of real estate and construction of buildings etc. Search and seizure operation u/s 132 of the Income Tax Act, 1961 was carried out on 20.6.2013 in M/s PACL Group of cases. The case of the assessee was also covered u/s 132(1) of the Act as the assessee is one of the contractor/land developers for the projects of M/s PACL Ltd.

5. The assessee company filed its original return on 25.11.2014 declaring total loss of Rs. 1,08,02,803/-. In response to notice u/s 153A,

the assessee filed a return of Rs nil. Subsequently, the AO passed order u/s 153A adding an amount of Rs 4,46,53,043/- in AY 2012-13 and Rs 1,17,27,147/- for AY 2014-15, appearing in the balance sheet on account of bogus liability as no documents were filed to substantiate the liability. The AO further added 25% of expense towards administrative and employees amounting to Rs 62,57,170/- in AY 2012-13 and Rs 91,70,830/- for AY 2014-15, on account of the fact that the same had no supporting documents.

6. On appeal, the CIT(A) partly deleted the additions made. Aggrieved the Revenue is before us.

7. At the very outset, the ld. DR pointed out that additional evidences were admitted by the ld. CIT(A) without confronting the same to the AO and without getting a report from the Assessing Officer. The ld AR however relied on the CIT(A).

6. We have heard the rival submissions and have perused the relevant material on record. We find that in both the AYs 2012-13 and 2014-15, the CIT(A) has given part relief on account of bogus liabilities on the basis of submissions and evidence filed by the assessee before him. We are of the considered opinion that the CIT(A) should have confronted the materials filed before him to the AO for his comments before adjudicating the issue. In view of the same, we are of the view that in

the interest of justice and balance of convenience, the issue, for both the assessment years, should be set aside to the file of the Id. CIT(A) for examining the issue judiciously. We therefore, consider it fit to set aside the orders of the CIT(A) for both the assessment years and direct the Id. CIT(A) to give a reasonable opportunity to the assessee and examine and adjudicate on the impugned issue afresh after calling for remand report from the Assessing Officer on account of additional evidences. The assessee is also directed to furnish all documents /evidence as and when required by the Id. CIT(A) for examination. In view of the same, ground 1 for both the assessment years, is allowed for statistical purposes.

7. As regards administrative and employee expenses, we find that the Assessing Officer has, keeping in view the nature of the business and to plug leakage of revenue expenses, added an ad-hoc @ 25% of the total expenses and added to the income of the assessee company.

8. When the assessee went in appeal before the Id. CIT(A), the Id. CIT(A) reduced the same to 10% in both the A.Ys under consideration as the AO made an ad-hoc addition. We find no infirmity in the findings of the Id. CIT(A) and accordingly, decline to interfere with the same. Ground no 2 is dismissed.

9. In the result, appeals of the Revenue in ITA Nos. 6087 and 6089/DEL/2016 are partly allowed for statistical purposes.

The order is pronounced in the open court on 21.01.2026.

Sd/-

[YOGESH KUMAR U.S.]
JUDICIAL MEMBER

Sd/-

[NAVEEN CHANDRA]
ACCOUNTANT MEMBER

Dated: 21st JANUARY, 2026.

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 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>	

