

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI "A" BENCH: NEW DELHI**

**BEFORE SHRI ANUBHAV SHARMA, JUDICIAL MEMBER &
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER**

**ITA No.3016/Del/2023
[Assessment Year : 2017-18]**

ACIT Circle-1(1) C.R. Building New Delhi.	vs	Ajanta Raaj Proteins Ltd. 41/4, Friends Tower Sanjay Palace Agra-282005 (U.P) PAN-AABCA1137E
APPELLANT		RESPONDENT

**C.O.No.-144/Del/2023
[In ITA No.3016/Del/2023]
[Assessment Year : 2017-18]**

Ajanta Raaj Proteins Ltd. 41/4-A, Friends Tower Sanjay Palace, Agra-282005 (U.P) PAN-AABCA1137E	Vs	ACIT Circle-1(1) C.R. Building New Delhi.
APPELLANT		RESPONDENT
Revenue by	Shri Krishna Kumar Ramawat, Sr. DR	
Assessee by	None	
Date of Hearing	01.12.2025	
Date of Pronouncement	04.02.2026	

ORDER

PER MANISH AGARWAL, AM :

The captioned appeal is filed by Revenue and cross-appeal filed by the assessee against the order dated 28.08.2023 by Ld. Commissioner of Income Tax (A), National Faceless Appeal Centre

("NFAC"), Delhi ["ld. CIT(A)"] in Appeal No. CIT (A), Delhi-1/10583/2019-20 passed u/s 250 of the Income Tax Act, 1961 ["the Act"] arising out of assessment order dated 26.12.2019 passed u/s 143(3) of the Act pertaining to Assessment Year 2017-18.

2. None appeared on behalf of the assessee despite of giving many opportunities to the assessee. From the perusal of the order sheet, it is observed that the case is listed for hearing as many as 12 times including the present hearing however, except on one occasion where adjournment application is filed, none appeared on behalf of the assessee. The notices were therefore, sent through RPAD and through Department and as reports submitted, they were served upon the assessee. In view of these facts, we left with no other alternative but to decide the appeal of the assessee on the basis of material available on records.

3. Brief facts of the case are that the assessee company engaged in the manufacturing of dairy products and e-filed its return of income on 28.10.2017, declaring total income at INR 1,06,76,978/-. The case was selected for scrutiny under CASS. Thereafter, notice was issued u/s 143(2) dated 24.09.2018 and further notices u/s 142(1) alongwith questionnaires were issued from time to time through ITBA portal to the assessee. In response, assessee filed its replies through e-filing portal. The AO observed that there is an abnormal increase in outstanding trade payable at INR 20.51 crores during the year under consideration which was INR 5.96 crores in

immediately preceding year. Therefore, the AO made enquires and after considering the replies filed by the assessee, total income was assessed at INR 21,29,43,802/- vide assessment order dated 26.12.2019 passed u/s 143(3) of the Act by making addition of INR 14,34,84,244/- and INR 17,64,568/- towards sundry creditors and current liabilities u/s 68 as unexplained credits, INR 5,69,53,680/- towards cash deposit in SBN during demonetization period and INR 64,332/- due to late payment of employees contribution towards PF & ESI.

4. Before us, Ld. Sr. DR for the Revenue vehemently supported the orders and submits that huge cash in SBN of INR 5,69,53,680/- was deposited in the bank account and immediate source of the said cash was claimed as out of cash sales of milk of INR 7,28,40,116/- in the month of October, 2016. The assessee claimed that the assessee company was trading in milk through multiple centers across Northern India and due to high demand during Diwali festival, heavy cash sales was made. However, in support of the claim, evidences were not filed before the AO, therefore, the AO treated the said cash as unexplained credit u/s 68 of the Act and made the addition. In first appeal, Ld. CIT(A) allowed the appeal of the assessee on this issue by placing reliance on the details and documents filed by the assessee which were not available before the AO.

5. In view of these facts, we are of the considered opinion that the AO has not provided sufficient opportunity of going through the

material filed by the assessee before Ld. CIT(A) in order to establish the source of the cash deposited in the bank account. Therefore, we set aside the order of Ld. CIT(A) and remand back the issue to the file of AO for fresh consideration. The assessee is directed to appear and filed all the details in support of the source of cash deposited in SBN during the demonetization period.

6. In view of these facts, all grounds raised by the Revenue are partly allowed for statistical purposes.

7. In the result, appeal of the Revenue is partly allowed for statistical purposes.

C.O.No.-144/Del/2023 [In ITA No.3016/Del/2023]
[Assessment Year : 2017-18]

8. In the Cross-objection filed, the assessee has challenged the impugned order of Ld. CIT(A) in remanding the issue to the file of AO with respect to the addition of INR 14,34,84,244/- made on account of Sundry Creditors.

9. From the perusal of order of Ld. CIT(A), it is observed that ld. CIT(A) has given following directions to the AO

“To exclude the opening sundry creditors as on 1st April of the relevant previous year;

To exclude the sundry creditors who have been paid off in the subsequent accounting years after verifying the same with reference to the ledger account of the suppliers in tandem with the entries in the bank accounts of the appellant, which are found mentioned in Annexure A to the appellant’s submission.”

10. From the perusal of the directions of ld. CIT(A), we find that the assessee had made claim of opening balance as well as payment of sundry creditors in subsequent years first time before the ld. CIT(A) and no such details were field before the AO. In view of these facts, we find no error in the aforesaid observation of Ld. CIT(A) and accordingly, the same is hereby, confirmed. All the grounds raised in the cross objection of the assessee are thus, dismissed.

11. In the final result, appeal of the Revenue in **ITA No.3016/Del/2023 [Assessment Year 2017-18]** is partly allowed for statistical purposes and Cross-objection of the assessee in **C.O.No.144/Del/2023 [Assessment Year 2017-18]** is dismissed.

Order pronounced in the open Court on 04.02.2026.

Sd/-

(ANUBHAV SHARMA)
JUDICIAL MEMBER

Sd/-

(MANISH AGARWAL)
ACCOUNTANT MEMBER

Date:- 04.02.2026

Amit Kumar, Sr.P.S

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT
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ASSISTANT REGISTRAR
ITAT, NEW DELHI