

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH "G", DELHI**

**BEFORE SH. S. RIFAUH RAHMAN, ACCOUNTANT MEMBER
AND
SH. SUDHIR KUMAR, JUDICIAL MEMBER**

ITA No. 5710/DEL/2025
Assessment Year: 2012-13

AADINATH PROBUILD (INDIA) PVT. LTD., B-359, SECOND FLOOR, NEW FRIENDS COLONY, DELHI – 110 025 PAN No. AAGCA8073L	Vs.	ACIT, CENTRAL CIRCLE-16, NEW DELHI ARA CENTRE, JHANDEWALAN EXTENSION, DELHI
(APPELLANT)		(RESPONDENT)

Appellant by	Sh. C.S. Anand, Adv., Ms. Veshnavi Yadav, Adv., & Ms. Aashta Sharma, Adv.
Respondent by	Sh. Pramod Kumar, Sr. DR

Date of hearing:	16.03.2026
Date of Pronouncement:	08/04/2026

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ORDER

PER SUDHIR KUMAR, JUDICIAL MEMBER:

This appeal by the assessee is directed against the order of the Ld. Commissioner of Income Tax (Appeals)-26, Delhi [hereinafter referred to as "CIT(A)"] dated 5.8.2025 pertaining to A.Y. 2012-13 arising out the order dated 29.12.2019 u/s. 143(3) r.w.s. 147 of the of the Income-tax Act, 1961, (in short 'the Act').

2. The assessee has raised the following grounds in appeal:

1. The learned CIT(A) has erred in summarily dismissing the assessee's ground of appeal challenging the assumption of jurisdiction.
2. The learned CIT(A) has erred in summarily dismissing the assessee's ground of appeal challenging the proceedings u/s 147 on the plea that the learned AO had initiated such proceedings, without applying his own mind and without verifying the correctness of the information.

3. The learned CIT(A) has erred in summarily dismissing the assessee's ground of appeal challenging the proceedings u/s 147 on the plea that the same were initiated by the learned AO in mechanical manner, without coming to know as to whether or not the assessee was previously assessed under scrutiny.
4. The learned CIT(A) has erred in confirming the addition of Rs.8850000/- made by the learned AO u/s 68 while doubting the genuineness and creditworthiness of M/s RMJ Commodity Marketing Pvt.Ltd., more particularly when during the remand proceedings the assessee had discharged its onus by furnishing the documents pertaining to the lender and demonstrating that the entire amount of loan stood repaid much before the date of issuance of notice u/s 148.
5. The learned CIT(A) has erred in confirming the addition of Rs.13904411/- (Rs.13300000/- being the principle amount + Rs.604411/- being the interest for FY 2011-12) made by the learned AO u/s 68 while doubting the genuineness and creditworthiness of M/s Agarwala Finservices Pvt.Ltd., more particularly when during the remand proceedings the assessee had discharged its onus by furnishing the documents pertaining to the lender and demonstrating that the entire interest amount as well as entire principal amount stood repaid much before the date of issuance of notice u/s 148.
6. The learned CIT(A) has erred in confirming the addition of Rs.16989425/- (Rs.16000000/- being the principle amount + Rs.989425/- being the interest for FY 2011-12) made by the learned AO u/s 68 while doubting the genuineness and creditworthiness of M/s Taibros Automotive Components Pvt.Ltd, more particularly when during the remand proceedings the assessee had discharged its onus by furnishing the documents pertaining to the lender and demonstrating that the entire interest amount as well as entire principal amount stood repaid much before the date of issuance of notice u/s 148.
7. The learned CIT(A) has erred in confirming the addition of Rs. 1800000/- made by the learned AO u/s 68 while treating the amount received by way of share application money from Sh.Nitesh Jain as unexplained cash credit, more particularly when during the remand proceedings the assessee had discharged its onus by furnishing the documents pertaining to the share applicant and explaining that the share applicant was allotted shares by the assessee company.
8. The learned CIT(A) has erred in confirming the addition of Rs.2380000/- made by the learned AO u/s 68 while treating the amount received by way of share application money from Smt.Kanika Jain as unexplained cash credit, more particularly when during the remand proceedings the assessee had discharged its onus by furnishing the documents pertaining to the share applicant and explaining that the share applicant was allotted shares by the assessee company.
9. The learned CIT(A) has erred in confirming the addition of Rs.2000000/- made by the learned AO u/s 68 while treating the amount received by way of share application money from Smt. Renu Jain as unexplained cash credit, more particularly when during the remand proceedings the assessee had discharged its onus by furnishing the documents pertaining to

the share applicant and explaining that the share applicant was allotted shares by the assessee company.

ADDITIONAL GOA

10. The additions made at Rs.45923836/- (Rs.39743836/- on account of unsecured loans treated as unexplained cash credit, in terms of section 68 + Rs.6180000/- on account of share application monies treated as unexplained cash credit, in terms of section 68) are liable to be deleted because of the settled law that where no addition was made on account of the issue which was the basis for initiating the proceedings u/s 147, no other addition can be made.

3. The brief facts of the case are that the assessee filed its return of income for the AY 2012-13 on 30.09.2012 declaring an income of Nil. The return was processed u/s 143(1) of the Act. The case was not picked up for regular scrutiny for AY 2012-13. An information has been received from the Dy. Director of Income Tax (Intelligence & Criminal Investigation), New Delhi vide letter no. DDIT (I&CD/Verification/2017-1812027 dated 15.09.2017 that assessee company M/s. Aadinath Probuild (India) Pvt. Ltd. has purchased a vacant land for a sum of Rs. 7,40,47,000/- on which stamp duty of Rs. 51,83,500/- was paid. Thereafter, a notice u/s 148 of the Act was issued to the assessee company through ITBA after due approval of Pr. Commissioner of Income Tax on 27.03.2019 and duly served upon the assessee company. In the present case the assessee submitted that the loans taken from M/s RMJ Commodity Market Pvt. Ltd., M/s Agarwala Finserve Pvt. Ltd. and M/s Talbros Automotive Components Ltd. have been repaid during the same year, this submission was not accepted by the lower authority. AO noted that the assessee had routed back its own unaccounted money in the form of unsecured loans through these non-nest companies. These companies are nonest companies because they had shown meagre income in their return of income. Further, on perusal of bank statements of these companies, it is noted that the money was received by these companies just before advancing the same to the assessee.

Therefore, the creditworthiness of these parties and the genuineness of transactions were not established. It was noted by the lower authorities that just by showing the amount received in bank statement do not mean that the creditworthiness and genuineness of the transactions, hence, AO observed that making the addition of loans advanced by these three parties as the creditworthiness of these parties and genuineness of transaction is not proved even by assessee and the parties. Hence, the addition was made of Rs. 3,97,43,836/- by the AO. Further, as regards addition of Rs. 61,80,000/- made on account of share application money received during the year is concerned, the AO noted that during the assessment proceedings, the assessee company was required to furnish supporting documents in respect of source of land purchase. The assessee has submitted that the source of land purchase is share application money received from three persons namely Shri Nitesh Jain, Ms. Kanika Jain and Ms. Renu Jain (members of the families of the promoters/ directors of the assessee company). They had applied for allotment of shares while paying certain amounts to the assessee. Since the shares were not allotted till 31.3.2012, the assessee had shown such amount of Rs. 61,80,000/- in its Audited Financial Statements as at 31.3.2012 under the head share application money. Hence, the addition of Rs. 61,80,000/- was made in the hands of the assessee. In view of above, the assessment was completed by the Assessing Officer at an income of Rs. 4,59,23,836/- u/s 147 r.w.s 143(3) of the Act. Aggrieved the order of the Assessing Officer the assessee preferred the appeal before the Ld. CIT(A) who vide his order dated 5-08-2025 dismissed the appeal against which the assessee is in appeal before us.

4. Heard the rival contentions and perused the records. Before us, assessee has filed a paper book containing pages 1-175 in respect of RMJ Commodity Market Pvt. Ltd. which are the copies of the assessee's ledger a/c as per its books of account for FY 2011-12; copies of its

relevant bank statements wherein its financial transactions with the assessee during FY 2011-12 are appearing; copy of its ITR Acknowledgement for AY 2012-13; copy of its audited financial statements for FY 2011-12; copy of the Certificate dated 12.12.2011 issued by the Registrar of Companies NCT of Delhi and Haryana confirming change of name to RMJ Portfolio Management Pvt. Ltd; copy of the certificate dated 26.12.2013 issued by the Registrar of Companies NCT of Delhi and Haryana confirming change of name to SASS online Commodities Pvt. Ltd.; copy of appeal order dated 11.2.2016 for AY 2012-13; copy of the assessee's ledger account as per its books of account for FY 2012-13 and copy of its ITR ackn. For AY 2013-14. In respect of Agrawala Finserve Pvt. Ltd. copy of the confirmation of ledger account as per its books of account for FY 2011-12; copies of its relevant bank statements wherein its financial transactions with the assessee during the FY 2011-12 are appearing; copy of ITR ack. For AY 2012-13; copy of its audited financial statements for FY 2011-12; copy of the assessee's ledger a/c as per its books of account for FY 2012-13; copy of its ITR ack. for AY 2013-14; copy of the assessee's ledger a/c as per its books of account for FY 2013-14. In respect of Talbros Automotive Components Ltd. copies of the confirmation of ledger accounts as per its books of account for FY 2011-12; copies of its relevant bank statements wherein its financial transactions with the assessee during FY 2011-12 are appearing; copy of ITR ack. For AY 2012-13; copy of its Audited financial statements for FY 2011-12; copy of confirmation of ledger a/c as per its books of account for FY 2012-13; copy of its ITR ack. For AY 2013-14; copy of the confirmation of ledger a/c as per its books of account for FY 2013-14 and copy of its ITR ack. For AY 2015-16. In respect of Nitesh Jain copy of confirmatory certificate dated 27.7.2022; copy of ITR ack. For AY 2012-13; copy of bank pass book showing debit entry of Rs. 1800000/- on 26.3.2012. In respect of Kanika Jain, copy of confirmatory certificate dated 20.7.2022; copy of ITR ack. For AY 2012-

13; copy of bank pass book showing debit entry of Rs. 2380000/- on 26.3.2012. In respect of Renu Jain copy of confirmatory certificate dated 18.7.2022; copy of ITR ack. For AY 2012-13 and copy of bank pass book showing debit entry of Rs 2000000/- on 26.3.2012. It transpires that the assessee had made compliance of the notice u/s 142(1) and explained the sources of the investment made by it towards purchase of land situated in Village Mohiddinpur Kanavani, Pargana & Tehsil, Dadri, Distt. Gautam Budh Nagar (UP). It is noted that in order to make direct enquiries from the persons whose names were appearing in the Bank Statements/balance Sheet of the assessee, the AO had issued notices u/s 133(6) to various parties including RMJ Commodity Marketing Pvt Ltd., Agarwala Finserve Pvt. Ltd and Talbros Automotive Components Ltd. It is undisputed fact that all the parties, including RMJ Commodity Marketing Pvt Ltd., Agarwala Finserve Pvt. Ltd and Talbros Automotive Components Ltd. had responded to the notices u/s 133(6). After perusing the assessment order, we note that the assessee had come to know that the AO had doubted the genuineness and creditworthiness of three parties namely RMJ Commodity Marketing Pvt. Ltd., Agrawala Finserve Pvt. Ltd and Talbros Automotive Components Ltd., and accordingly made addition of Rs.39743836/- u/s 68 in the hands of the assessee who had discharged its onus by furnishing the documents pertaining to the lender and demonstrating that the entire interest amount as well as entire principal amount stood repaid. As regards addition of Rs. 61,80,000/- is concerned, it is noted that during FY 2011-12, three persons namely Nitesh Jain, Kanika Jain and Renu Jain (members of the families of the promoters /directors of the assessee company) had applied for allotment of shares while paying certain amounts to the assessee. Since the shares were not allotted till 31.03.2012 (Date of Allotment: 22.05.2012), the assessee had shown such amount of Rs.6180000/- in its Audited Financial Statements as at 31.03.2012 under the head Share Application Money. During the course of assessment proceedings, the AO had never asked the assessee to file the confirmations in respect of Share

Application money. However, Sh. Nitesh Jain; Kanika Jain alias Kanika Gupta and Renu Jain have provided certain documents to the assessee, which were filed before the lower authorities. After perusal of the aforesaid documentary evidences, it is crystal clear that assessee has filed all the documentary evidences which stand proved the genuineness and creditworthiness of the transactions made by the Assessee was made through banking channels and the entire interest amount as well as entire principal amount stood repaid. Thus, in our considered opinion, the additions made by the AO are not sustainable in the eyes of law and thus deserve to be deleted. We hold and direct accordingly.

5. In the result the appeal of the assessee is allowed.

Order pronounced in the open court on 08.4.2026.

Sd/-
(S. RIFAUR RAHMAN)
ACCOUNTANT MEMBER

Sd/-
(SUDHIR KUMAR)
(JUDICIAL MEMBER)

Date: 08.4.2026

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals) ^
5. DR: ITAT

ASSISTANT REGISTRAR
ITAT DELHI