

IN THE INCOME TAX APPELLATE TRIBUNAL

DELHI BENCH "G", NEW DELHI

BEFORE SHRI SHAMIM YAHYA, ACCOUNTANT MEMBER,
AND
SHRI SUDHIR PAREEK, JUDICIAL MEMBER

	ITA NO. 3248/Del/2023		
	A.YR. : 2017-18		
SHIVINDER PAL SINGH CHAHAL, A-502, VINAYAK APARTMENT, PLOT NO. 36, SECTOR-10, DWARKA, NEW DELHI – 110 075 (PAN: ACYPC1011D)	VS.	ACIT, CIRCLE 43(1), NEW DELHI	
(APPELLANT)		(RESPONDENT)	

Appellant by : Shri Harshit Chauhan

Respondent by : Shri Sahil Kumar Bansal, Sr. D.R.

Date of hearing : 16.01.2025

Date of pronouncement : 22.01.2025

ORDER

PER SHAMIM YAHYA, AM :

The Assessee has filed the instant Appeal against the Order of the Ld. CIT(Appeal)/NFAC, Delhi dated 26.10.2023, relating to assessment year 2017-18 on the following grounds:-

“On the facts and in the circumstances of the case and in law the NFAC erred in confirming the following actions of AO in -

1. *determining taxable income at Rs. 1,79,99,280/- against returned income in a sum of Rs. 1,46,11,610/-.*
2. *making an addition of Rs. 26,35,000/- on account of cash deposited in bank treating the same as unexplained by invoking section 68 of the Act;*
3. *making an addition of Rs. 7,52,667/- treating the difference in purchases shown and the date of imports and exports received from CBEC by invoking section 69C of the Act;*
4. *initiating penalty proceedings u/s. 271AAC r.w.s. 68 and 115BBE of the Act;*
5. *changing interest u/s. 234B and 234C of the Act;*

All the above actions being arbitrary, fallacious, unwarranted and illegal must be quashed with directions for appropriate relief”.

2. Apropos issue no. 1 relating to addition of Rs. 26,35,000/- made on account of cash deposit. On this issue, it was noticed by the AO that Assessee had deposited Rs. 26,35,000/- during the demonetization period in the bank account. AO compared these sales during the demonetization period with other period sales and found that the sales reflected in demonetization period was very high. He therefore, added a sum of Rs. 26,35,000/- to the income of the assessee. Upon assessee's appeal, Id. CIT(A) confirmed the action of the AO. Against the above action of the authorities below, the assessee is in appeal before us.

3. We have heard both the parties and perused the records. We find that the entire sales have been accepted by the Revenue Department, corresponding purchases have also been accepted and books have not been rejected. In this view of the matter, the disallowance made by the AO and confirmed by the Ld.

CIT(A), is not sustainable, hence, we direct that the same be deleted. Accordingly, this ground is allowed.

4. Apropos issue No. 2 relating to addition of Rs.7,52,667/- made on account of unreconciled figures of purchases which arose due to difference in purchases shown in ITR and the invoice value as per the import export data provided by the CBEC. AO did not find Assessee's explanation creditable, hence, addition was made which was confirmed by the Ld. CIT(A). Against the aforesaid action of the authorities below, assessee filed an appeal before us.

5. We have heard both the parties and perused the records. We find that difference between the purchases shown in ITR and the invoice value as per the import export data provided by the CBEC has become unreconciled to the tune of Rs. 7,52,667/-, as assessee has not provided any credible explanation. In our considered opinion, addition made by the AO and sustained by the Ld. CIT(A) is sustainable, hence, the order need not be interfered on our part. Accordingly, we affirm the order of the Ld. CIT(A) on this issue and reject the assessee's ground accordingly.

6. In the result, the Appeal filed by the Assessee is partly allowed.

Order pronounced on 22/01/2025.

Sd/-

(SUDHIR PAREEK)
JUDICIAL MEMBER

Sd/-

(SHAMIM YAHYA)
ACCOUNTANT MEMBER

SRBHATNAGAR

Copy forwarded to:-

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

Assistant Registrar

