

**IN THE INCOME TAX APPELLATE TRIBUNAL
“B” BENCH, DELHI**

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

**ITA Nos. 468 to 470/Del/2025
(Assessment Years: 2016-17 to 2018-19)**

Seemsan Impex Pvt. Ltd. 4/287, Vivek Khand, Gomti Nagar, Uttar Pradesh – 226010	Vs.	DCIT, CC-29, Room No. 322, ARA Centre, Jhandewalan Extn Delhi – 110055
स्थायीलेखासं./जीआइआरसं./PAN/GIR No: AAOCS0883J		
Appellant	..	Respondent

Appellant by :	Sh. Dharmendra Kumar, CA
Respondent by :	Ms. Pooja Swaroop, CIT (DR)

Date of Hearing	15.01.2026
Date of Pronouncement	18.02.2026

ORDER

PER ANUBHAV SHARMA, JM:

These appeals preferred by the Assessee against the orders of the Ld. Commissioner of Income-tax (Appeals) (hereinafter referred to as the First Appellate Authority or ‘the Id. FAA’ for short) in appeals filed before him against the orders of the Id. Assessing Officer (hereinafter referred to as the Ld. AO, for short) passed u/s 143(3)/153C of the Income-tax Act, 1961

(hereafter referred to as 'the Act'). Further details of the orders of the lower authorities are as under: -

ITA No. & AY	Ld. FAA who passed the appellate order	Appeal No. & Date of order of the Ld. FAA	AO who passed the assessment order & Date of order
468/D/25 2016-17	CIT(A)-25, Delhi	DIN & Order No : ITBA/APL/S/250/2024- 25/1070432443(1) Dated 18.11.2024	DCIT, Central Circle -29 Dated 30.04.2021
469/D/25 2018-19	CIT(A)-25, Delhi	DIN & Order No : ITBA/APL/S/250/2024- 25/1070433670(1) Dated 18.11.2024	DCIT, Central Circle -29 Dated 30.04.2021
470/D/25 2017-18	CIT(A)-25, Delhi	DIN & Order No : ITBA/APL/S/250/2024- 25/1070605780(1) Dated 25.11.2024	DCIT, Central Circle -29 Dated 30.04.2021

2. Heard and perused the record. The appeals involve similar question of law and based on similar facts. AY: 2016-17 facts and orders shall be considered for disposal of these appeals. During the years involved appellant was engaged in trading gold and jewellery etc. and the case of the assessee was subject to search assessment u/s 153C of the Act. Search and seizure was carried out on Himanshu Verma on 13.04.2017. During the search on Himanshu Verma it was allegedly found that various shell companies were being operated and managed by him for providing accommodation entries in lieu of commission. The list of 66 companies were examined. Action u/s

153A was proposed in case of 38 companies. The assessee has alleged to have received credits from bogus companies namely M/s Gladiolus Clothing Pvt. Ltd, M/s Heerak Clothing Pvt. Ltd., M/s Azalea Clothing Pvt. Ltd. controlled by Himanshu Verma. Allegedly these credits were transferred to beneficiaries and assessee had earned commission income @ 4% for which addition is made.

3. Now before us the primary contention as raised was that merely on the statements recorded u/s 132(4) of the Act and without any corroborating evidences the additions have been made. In this context, the conclusion of Id. CIT(A) in AY: 2016-17 are reproduced below:

“9. Grounds No. 2, 3, 4, 5 and 6: These grounds pertain to issue of addition of Rs.25,48,723/- as commission income. The AO in the assessment order has observed that Search and Seizure operation u/s 132 of the Income Tax Act was conducted in the case of Shri Himanshu Verma group in 2012 and subsequently once again on 13.04.2017. On the basis of analysis of seized material found during search, it was found that Shri Himanshu Verma has been providing accommodation entries in the form of unsecured loans/share premium/purchase bills etc. to various beneficiaries through several paper companies managed and controlled by him. The appellant company M/s Seemsan Impex Private Limited is appearing at serial no. 156 in the list of companies listed out by the AO in the assessment order. The AO observed that all these companies managed and controlled by Shri Himanshu Verma were engaged in providing accommodation entries in lieu of commission. He observed that on the credits of Rs.6,37,18,080/- the appellant company

had earned commission income @ 4% which worked out to Rs.25,48,723/- and which was thus added to the appellant's total income for the year under consideration.

9.1 In its submission during appellate proceedings the appellant objected to the estimation of income and stated that the addition made by the AO was liable to be deleted as profit had been estimated without rejecting books of accounts. It also sought to explain the credit entries by way of being in the nature of receipts on account of loan repayment, advances against sale that could not take place etc.

9.2 The observations of the AO in the assessment order and the written submission/s of the appellant have been carefully perused. The AO has analyzed the material gathered during the search action, gone through the statements recorded during the actions and thereafter decided the income of the appellant by working out the commission applicable on accommodation entries to be added in the hands of the latter, which does not call for any interference in the absence of any solid evidence produced during appellate proceedings. The appellant has simply made assertions without any corroborating evidence. As for the appellant's claim regarding the genuineness of its CA/AR during assessment proceedings, no merit is found in the same in the absence of any corroborative evidence. In any case, the fact remains that the appellant's representative during assessment proceedings filed details and documents in response to notices issued and had submitted that the appellant company was used as a conduit company to provide bogus accommodation entries to beneficiaries. The appellant had neither produced its directors for recording statement u/s 131 of the Act during assessment proceedings, nor had it available opportunity of cross examination of Shri Himanshu Verma, entry operator. The AO has observed in the assessment order that after accumulation of credits, the same were transferred to the beneficiaries of the accommodation entries.

Therefore, the AO assessed commission in the hands of the appellant company during the year under consideration. This was a case related to entry-operation network, as seen from the facts brought out in the assessment order. The requirement of rejection of books of accounts in view of the facts of the case would thus not be a precondition to work out commission income on credit entries. The case laws cited by the appellant would not be

of help to it as the facts therein are distinguishable from the facts of its instant case under consideration. I am therefore not inclined to interfere with the order of the AO on this crucial issue. These grounds of appeal are therefore dismissed.”

4. Ld. DR has vehemently contended that all the relevant material have been duly examined and statements of Himanshu Verma had admission of all the relevant facts, therefore, there is no substance in the contention of ld. AR.

5. Ld. AR has relied decision of Coordinate Bench in *Sadhvi Exim Ltd., Vs. DCIT*, in ITA No. 6068 & 6109/Del/2024 wherein in the case of same set of facts arising out same search the coordinate Bench has quashed the assessments as the same were found to be based not on any specific incriminating material but uncorroborated statements of Himanshu Verma.

As for completeness we reproduce para 3 to 5:

“3. The Revenue vehemently argues that both the learned lower authorities had rightly initiated u/s 153C proceedings against the assessee which finally culminated in the assessee’s corresponding identical twin assessments inter alia adding commission income on accommodation entries involving varying sums, as upheld in the lower appellate discussion. It is in this factual backdrop that we sought to know about the corresponding incriminating material found or seized against the assessee during the course of search herein dated 13.04 .2017.

4. Learned CIT-DR takes us to both the impugned assessment orders dated 30.04 .2021 that the searched person herein had got recorded his statement that he had around 100 companies including the assessee which provided accommodation entries. He could hardly dispute that no such specific incriminating material found/seized during the course of search herein has been quoted by both the learned lower authorities so as to add the impugned alleged accommodation entries @ 4% as per *PCIT vs. Abhisar Buildwell Pvt. Ltd.* (2023) 454 ITR 212 (SC).

5. Learned CIT-DR at this stage seeks to buttress the point that the impugned commission income stands added as per the assessee's authorized person's search statement recorded u/s 132 of the Act. We are of the view that such a mere admission or confession; during search in absence of the specific evidence unearthed, hardly carries any significance as per the CBDT's twin landmark circular dated 10.03.2003 and 18.12.2014, as the case may be. We accordingly hold in this factual backdrop that the learned Assessing Officer's impugned twin assessments herein are not sustainable in law since not based on any specific incriminating material. The same stand quashed therefore. Ordered accordingly."

6. In the light of aforesaid we are of considered view that additions are not basis of any material but bald statements of third person. Further on statement of ld. AR alone, such admissions cannot be made by the AO. We thus sustain the grounds as raised. The appeals are allowed and the impugned assessments are quashed.

Order pronounced in the open court on 18.02.2026

Sd/-
(Manish Agarwal)
ACCOUNTANT MEMBER

Sd/-
(Anubhav Sharma)
JUDICIAL MEMBER

Dated 18.02.2026
Rohit, Sr. PS

Copy forwarded to:

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

**ASSISTANT REGISTRAR
ITAT NEW DELHI**