

IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCHES "E" : DELHI

BEFORE SHRI BHAVNESH SAINI, JUDICIAL MEMBER
AND
SHRI O.P. KANT, ACCOUNTANT MEMBER

ITA.No.2231/Del./2016
Assessment Year 2011-2012

AL Tabarak Frozen Foods P. Ltd., 258, Khaweshgyan, Khurja Distt. Bulandshahr. (U.P.) PAN AAECA8288M	vs	The DCIT, Circle- Bulandshahr, Bulandshahr. (U.P.)
(Appellant)		(Respondent)

For Assessee :	-None-
For Revenue :	Ms. Parmita M. Biswas, CIT-DR

Date of Hearing :	26.03.2019
Date of Pronouncement :	02.04.2019

ORDER

PER BHAVNESH SAINI, J.M.

This appeal by Assessee has been directed against the Order of the Ld. CIT(A), Ghaziabad, Dated 23.02.2016, for the A.Y. 2011-2012.

2. The A.O. noted that as per ledger account it was found that assessee has made cash deposit of Rs.10 lakhs and assessee failed to explain the cash deposit and also failed to explain source of the cash. Therefore, Rs.10 lakhs

was added under section 68 of the I.T. Act, 1961. The A.O. further noted that assessee has claimed expenses on account of packing charges (labour) and processing charges (labour). Some of the vouchers were not properly maintained and element of expenses other than business was not ruled out. The A.O, accordingly, disallowed 1/10th of the expenses and made addition of Rs.7,40,288/-.

2.1. The Ld. CIT(A), as regards the disallowance of the expenses restricted the addition to 5% and confirmed the addition to Rs.3,70,000/-. The Ld. CIT(A), as regards addition of Rs.10 lakhs under section 68 of the I.T. Act noted that assessee contended before him that loan of Rs.10 lakhs was taken from Shri Aleem Ahmad, Director of the Assessee-Company through RTGS. The assessee submitted bank statement, income tax returns and confirmation of Shri Aleem Ahmad. The Ld. CIT(A) noted that Shri Aleem Ahmad shown income of Rs.2,07,370/- in the return of income. There is cash deposit of Rs.10 lakhs in the account of Shri Aleem Ahmad in cash. No valid explanation have been given about the source of the cash deposited in his

bank account. The Ld. CIT(A), therefore, noted that assessee failed to prove the creditworthiness of the Creditor-Director and also failed to prove the genuineness of the transaction, therefore, this ground was dismissed. The assessee challenged both the additions in the present appeal.

3. Assessee has been notified the date of hearing twice through registered post. However, there is no response from the side of the assessee.

4. The Ld. D.R. contended that assessee failed to produce any evidence in respect of both the above additions.

5. After considering the submissions of the Ld. D.R. in the light of findings of fact recorded by the Ld. CIT(A), no interference is called for in the matter. The assessee did not explain if the expenses were incurred wholly and exclusively for the purpose of business. No proper vouchers/bills etc., has been maintained by the assessee for claiming deduction of the expenditure. As regards addition under section 68, Ld. CIT(A) noted that creditor has meager income and that there is cash deposit of Rs.10 lakhs in his account.

Therefore, these facts clearly prove that the creditor has no creditworthiness and the transaction is not genuine between the parties. In the absence of any rebuttal to the finding of fact recorded by the authorities below, we confirm both the addition and dismiss the appeal of assessee.

6. In the result, appeal of the Assessee dismissed.

Order pronounced in the open Court.

Sd/-
(O.P. KANT)
ACCOUNTANT MEMBER

Sd/-
(BHAVNESH SAINI)
JUDICIAL MEMBER

Delhi, Dated 02nd April, 2019.

VBP/-

Copy to

1.	The appellant
2.	The respondent
3.	CIT(A) concerned
4.	CIT concerned
5.	D.R. ITAT 'E' Bench, Delhi
6.	Guard File.

// BY Order //

Assistant Registrar : ITAT Delhi Benches :
Delhi.