

IN THE INCOME TAX APPELLATE TRIBUNAL
PUNE BENCH, 'A' PUNE

BEFORE SHRI R.S. SYAL, VICE PRESIDENT AND
SHRI C.M. GARG, JUDICIAL MEMBER

आयकर अपील सं. / ITA No.356/PUN/2017
निर्धारण वर्ष / Assessment Year : 2012-13

Awate Engineering Pvt. Ltd., Block No.D, Plot 6, MIDC, Ranjangaon, Shirur, Dist. Pune PAN : AAHCA1422G	Vs.	DCIT, Circle-1(1), Pune
Appellant		Respondent

Assessee by : None
Revenue by : Shri S.P. Walimbe

Date of hearing : 12-11-2021
Date of pronouncement : 12-11-2021

आदेश / ORDER

PER R.S.SYAL, VP :

This appeal by the assessee is directed against the order passed by the CIT(A)-1, Pune on 16-11-2016 in relation to the assessment year 2012-13.

2. The only issue raised in this appeal is against the confirmation of addition of Rs.81,00,398/- u/s 68 of the Income-tax Act, 1961 (hereinafter also called 'the Act'). Briefly stated, the facts of the case are that the assessee declared unsecured loans amounting to Rs.95,20,898/- in its balance sheet. On verification of the details of loans received during the year, it transpired that a sum of

Rs.81,00,398/- was shown to have been received from Mr. Eknath Awate, husband of Mrs.Shobha Awate, a director in the assessee-company, holding 55% shares. Such amount of Rs.81 lakh was advanced in cash. The AO called upon the assessee to furnish the source of income of Mr. Eknath Awate from which the loan of such a magnitude was advanced in cash. The assessee submitted that the source was agricultural income of Mr. Eknath Awate. The AO further required the assessee to furnish the income tax returns along with the computation of income of Mr. Eknath Awate for the assessment years 2008-09 to 2012-13 and also documentary evidence to prove the existence of the agricultural income in the hands of Mr. Eknath Awate in the form of evidence for sale of agricultural produce, evidence for purchase of agriculture inputs and evidence for transport of agricultural produce. The assessee did not furnish any of such details except 7/12 extract showing income of Rs.15 lakh. The AO issued notice u/s.131 of the Act requiring Mr. Eknath Awate to appear before him and furnish the necessary details substantiating the receipt of agricultural income. Mr. Eknath Awate appeared in person who admitted that he did not disclose any agricultural income in his return for the assessment year 2012-13 or thereafter and further that there

was no documentary evidence in support of the agricultural income except 7/12 extract. The AO made addition of Rs.81,00,398/- u/s.68 of the Act, which came to be countenanced in the first appeal.

3. We have heard the ld. DR and gone through the relevant material on record. This appeal is on board since the year 2019. Except on two occasions in the year 2019, the assessee has remained unrepresented throughout before the Tribunal. A registered notice was sent to the assessee which has been returned by the postal authorities on 15-06-2021 with the remarks "Refused". Another notice was sent through registered post which has again been returned by the postal authorities on 20-10-2021 with the remarks "Refused". In the given facts and circumstances, we are left with no option but to dispose of the appeal *ex parte qua* the assessee but on merits.

4. As per the factual elaboration made in the assessment order, it is clear that the assessee declared to have received Rs.81,00,398/- as cash loan from Mr. Eknath Awate, who happens to be husband of Ms. Shobha Awate, a director of the company. It was stated that the loan was given out of agricultural income. The AO gave enormous opportunities to the assessee for proving the availability of such an agricultural income. The assessee neither produced any evidence of

sale of agricultural produce nor purchase of agriculture inputs nor any evidence of transportation of agricultural produce. Mr. Eknath Awate never disclosed any agricultural income in his returns, which fact was duly admitted by him in his statement before the AO. Except for 7/12 extract, the assessee did not furnish any documentary evidence to prove that Mr. Eknath Awate was having a sum of Rs.80.00 lakh which was deposited by him with the assessee in cash. Considering the totality of the facts and circumstances of the instant case, we are of the considered opinion that the authorities below drew a correct inference that the loan of Rs.81,00,398/- shown by the assessee was bogus for which addition has been rightly made u/s.68 of the Act. We, therefore, uphold the same.

5. In the result, the appeal is dismissed.

Order pronounced in the Open Court on 12th November, 2021.

Sd/-
(C.M. GARG)
JUDICIAL MEMBER

Sd/-
(R.S.SYAL)
VICE PRESIDENT

पुणे Pune; दिनांक Dated : 12th November, 2021
Satish

आदेश की प्रतिलिपि □ ग्रेषित/Copy of the Order is forwarded to:

1. अपीलार्थी / The Appellant;
2. प्रत्यर्थी / The Respondent;
3. The CIT(A)-1, Pune
4. The Pr.CIT-1, Pune
5. DR, ITAT, 'A' Bench, Pune
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

// True Copy //

Senior Private Secretary
आयकर अपीलीय अधिकरण ,पुणे / ITAT, Pune

		Date	
1.	Draft dictated on	12-11-2021	Sr.PS
2.	Draft placed before author	12-11-2021	Sr.PS
3.	Draft proposed & placed before the second member		JM
4.	Draft discussed/approved by Second Member.		JM
5.	Approved Draft comes to the Sr.PS/PS		Sr.PS
6.	Kept for pronouncement on		Sr.PS
7.	Date of uploading order		Sr.PS
8.	File sent to the Bench Clerk		Sr.PS
9.	Date on which file goes to the Head Clerk		
10.	Date on which file goes to the A.R.		
11.	Date of dispatch of Order.		

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