

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'F' NEW DLEHI**

**BEFORE SHRI R.K. PANDA, ACCOUNTANT MEMBER
AND
SHRI K. NARASIMHA CHARY, JUDICIAL MEMBER**

**ITA No. 4099/Del/2017
Assessment Year: 2012-13**

Prahlad Singh Bisht,
510-E, Konark Enclave,
Sector-17, Ghaziabad.

vs.

Income-tax Officer,
Ward 2(1), Ghaziabad.

PAN : AAGPB2893J
(Appellant)

(Respondent)

Appellant by : None

Respondent by: Sh. Anil Gandhi, Sr. DR

Date of hearing: 07/12/2021

Date of order : 09 /12/2021

ORDER

PER K. NARASIMHA CHARY, J.M.

Aggrieved by the order dated 01.03.2017 passed by the learned Commissioner of Income Tax (Appeals)-Ghaziabad ("Ld. CIT(A)") for the assessment year 2012-13, Prahlad Singh Bisht ("the assessee") preferred this appeal.

2. Brief facts of the case are that the assessee is the proprietor of M/s. Prahlad Singh Bisht and M/s. Star Home Solutions and is engaged in the business of trading in residential houses. For the assessment year 2012-13, the assessee filed their return of income on 12.02.2013

declaring an income of Rs.6,26,010/-. Assessment u/s. 143(3) of the Income-tax Act, 1961 (for short "the Act") was complete by order dated 20.03.2015 at an income of Rs.1,13,80,900/-, after making several additions. Aggrieved by such additions, assessee preferred appeal before the Id. CIT(A) who by way of impugned order confirmed the additions and dismissed the appeal. Hence, the assessee is before us in this appeal challenging all the additions.

3. When the matter is called, neither the assessee nor any authorised representative entered appearance. It could be seen from the record that the notices were issued to the address given in form No. 36 on 11.08.2021 and 06.10.2021. The notice was returned with the endorsement of the postal servant that the assessee left. If the assessee is available in such address, such notice should have been served on the assessee. If for any reason, the assessee is not available there, it is for the assessee to make arrangements for service of such notice by furnishing the address where the assessee would be available, or to deliver it to some authorised person, or by making request to the postal department to detain the mail till the assessee claims the same. Since the assessee does not seem to have adopted any of these methods, we are the considered opinion that no time could be granted. Basing on the record we proceed to hear the counsel for Revenue and decide the matter on merits.

4. We heard the Id. DR. He submits that it could be seen from the orders of the authorities that the Id. Assessing Officer issued notice u/s. 142(1) of the Act along with queries dated 07.10.2014, 05.01.2015 and 10.03.2015, requiring the assessee to furnish certain specific

information/details and though the assessee filed the written replies not covering all the points, but failed to produce the books of accounts consisting of ledger, cash book, purchase and sales invoices and vouchers of expenses etc. So also, it could be seen from the impugned order that the Id. CIT(A) had issued notices to the assessee at least on eight occasions and on all such occasions, an application for adjournment was filed but the assessee did not cooperate with the first appellate authority and thereby forced the Id. CIT(A) to examine the facts of the case on merits basing on record and to pass the impugned order. Ld. DR further submitted that even in this appeal, notice sent to the assessee were returned with the endorsement that the assessee left and except the address furnished by the assessee in Form No. 36, no details were available to the Tribunal. In so far as the merits is concerned, it is submitted by the Id. DR that in view of the fact that the assessee failed to furnish the books of account consisting of ledger, cash book, purchase and sales invoices and vouchers of expenses etc., it was not possible for the authorities to verify the claim of the assessee in the return of income and for the very similar reason, no different view could be taken now.

5. We have gone through the record in the light of these submissions made by Id. DR. From the assessment order, it is evident that an addition of Rs.8,69,199/- was made on account of unexplained credit in the capital account. Though the assessee filed the copy of his account, but failed to furnish any supporting evidence in respect of credit entries of Rs.2,10,000/-, Rs.6,08,199/- and Rs.51,000/- totalling to Rs.8,69,199/-. Similarly, the assessee introduced fresh capital of Rs.14,71,000/- in M/s. Star Home Solutions, but the entries shown in the capital account were

not found supported by any documentary evidence. Apart from the above, in the balance sheet of Prahlad Singh Bisht, the assessee had shown fresh unsecured loans at Rs.9,96,114/- from different persons. The assessee was required to furnish the bank statements, names, addresses and ITRs of the persons, from whom said unsecured loans were taken by assessee, but he failed to furnish the same for verification. The Assessing Officer had further found that in the capital account as appearing in Super Hill Associates, the assessee has made addition of Rs.3,18,000/-, the source of which could not be explained by the assessee, which rightly led to addition of this amount by the Assessing Officer. In respect of the credit balance shown by the assessee of Rs.42,00,000/- in the balance sheet of M/s. Star Home Solutions, in the name of M/s. Divya Builders and Contractors, as required by Assessing Officer, the assessee failed to furnish copy of account of M/s. Divya Builder & Contractor in the books of assessee and confirmed copy of account of assessee in the books of M/s. Divya Builders & contractors with complete name and address, which led the Assessing Officer to make addition on this account. Further, the assessee has shown advance of Rs.5,75,000/- in the balance sheet of M/s. Star Home Solutions taken on account of flat booking, but on being asked, the assessee could not furnish their ledger account nor could submit the confirmations from the persons who booked the flats. Learned Assessing Officer further noticed that the assessee had shown unsecured loans of Rs.3,10,000/- in the name of Geeta Bisht and Rs.3,00,000/- in the name of Suresh Sharma. For want of furnishing copy of ledger account of these persons, the said unsecured loans could not be verified. Assessment order shows that in the Trading and P & L account, as per details of closing stock, the assessee has shown cost of the plot

No. 109, Shalimar Garden at Rs.39,00,000/- which does not include the expense of Rs.2,70,000/- spent on stamp duty. The assessee explained before the Assessing Officer that the payment of stamp duty of Rs.2,70,000/- was not included in the closing stock by mistake, but it was also not taken in expenses, thus, having no impact on profit. As per Assessing Officer, the assessee failed to explain the source of this investment and accordingly made addition of Rs.2,70,000/-. Similarly, the Assessing Officer found that in the profit & loss account of Prahlad Singh Bisht, the assessee has shown cost of construction at Rs.72,27,895/- as on 31.03.2012. The assessee was required to furnish the details of construction such as bricks, cement, concrete, sand, steel/iron, flooring, terracing, wooden work and fitting, finishing, glazing steel work, labour, water supply and sanitary work, electrification and miscellaneous items and transportation charges etc., but the assessee failed to produce any details or documentary evidence in support. Therefore, the Assessing Officer disallowed Rs.14,45,579/- representing 20% of the cost of construction of Rs.72,27,895/- and accordingly made addition.

6. Though the assessee filed written submissions and certain copies of accounts, he failed to produce supporting evidence in support of the addition to the capital, or unsecured creditors etc. Because of non production all these documents, the Assessing Officer held the issues against the assessee and made the additions.

7. Impugned order shows that in spite of repeated notices issued, except seeking adjournment, the assessee did not cooperate with the first appellate authority nor any attempt was made to produce the information that was sought by the Assessing Officer. Even before us

also, the assessee is not diligent to prosecute this appeal. For want of evidence or material supporting the claims of the assessee, it is not possible for us to take a different view that was taken by the authorities. For these reasons, we do not find any reason to take a view contrary to the one taken by the authorities and we find no option but to confirm the additions.

8. In the result, appeal of the assessee is dismissed.

Order pronounced in the open court on this the 9th day of December, 2021.

Sd/-

(R.K. PANDA)
ACCOUNTANT MEMBER

Sd/-

(K. NARSIMHA CHARY)
JUDICIAL MEMBER

Dated: 09/12/2021

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