

**IN THE INCOME TAX APPELLATE TRIBUNAL
“C” BENCH, MUMBAI**

**BEFORESHRI VIKAS AWASTHY, JUDICIAL MEMBER &
SHRI AMARJIT SINGH, ACCOUNTANT MEMBER**

**ITA No. 7323/Mum/2012
(A.Y 2006-07)**

M/s Chandani Gems Pvt. Ltd., 210, Roopraj Building, 497, S.V.P. Road, Mumbai – 400 098	Vs.	Income Tax Officer-5(1)(3) Mumbai
स्थायी लेखा सं./जीआइआर सं./PAN/GIR No. : AACCC7539D		
Appellant	..	Respondent

Appellant by :	None
Respondent by :	Vranda U. Matkari

Date of Hearing	23.05.2022
Date of Pronouncement	23.05.2022

आदेश / O R D E R

PER AMARJIT SINGH, AM:

The present appeal filed by the assessee and directed against the order passed by the Id. CIT(A)-9, Mumbai, which in turn arises from the order passed by the A.O u/s 144 of the Income Tax Act, 1961, for A.Y. 2006-07, dated 20.10.2008. The assessee has raised the following grounds of appeal before us.

- “1. *On the facts and circumstances of the Appellant’s case and in law the Ld. CIT(A) erred in not admitting additional evidence.*
2. *On the facts and circumstances of the Appellant’s case and in law the Ld. CIT(A) erred in not admitting the revised grounds of appeal.*
3. *On the facts and circumstances of the Appellant’s case and in law the Ld. CIT(A) erred in confirming A.O’s action of rejecting the book results u/s 145(3) of the Income Tax Act, 1961.*
4. *On the facts and in the circumstances of the appellants case and in law the Ld. Ld. CIT(A) erred in confirming A.O’s action in estimating income at Rs. 18,80,655 being 15% of sales.*
5. *On the facts and circumstances of the Appellant’s case and in law the Ld. CIT(A) erred in confirming A.O’s action of disallowing entire business expenditure.*
6. *the facts and in the circumstances of the appellant's case and in law the Ld. Ld. CIT(A) erred in confirming A.O’s action of making an addition of Rs. 1,00,000/- on account of share en capital by invoking section 68 of the Income Tax Act, 1961 .*
7. *On the facts and in the circumstances of the appellant’s case and in law the Ld. CIT(A) erred in confirming A.O’s action of making an addition of Rs. 24,36,745/- on account of unsecured loans by invoking section 68 of the Income Tax Act 1961.*
8. *The appellant craves leaves to add, amend, alter modify and or withdraw any of the above grounds of appeal.”*

2. This case was listed for hearing more than 11 times continually but nobody has attended from the side of the assessee, therefore, the case is adjudicated after hearing the ld. D.R and on the basis of material on record.

3. The fact in brief is that the return of income declaring total income of Rs. 40,050/- was filed on 22.11.2006. During the course of assessment the assessee has not made any compliance to the number of notices issued u/s 142(1) and notice issued u/s 143(2) of the Act. Even the A.O has levied penalty of Rs.10,000/- u/s 271(1)(b) of the Act for not making compliance to the statutory notice issued during the course of assessment proceedings.

Under the circumstances the assessment u/s 144 of the Act was finalized u/s 144 of the Act and total income was assessed at Rs.44,16,400/- after making addition of Rs.1,00,000/- on account of share capital since no supporting details filed to explain the source of share capital and addition of Rs.24,36,745/- was made by treating unsecured loans as unexplained u/s 68 of the Act. The business income of the assessee was also estimated at 15% of sales to the amount of Rs.18,80,655/- for the reason of not submitting detail of purchase/expenses during the course of assessment proceedings.

4. The assessee filed the appeal before the ld. CIT(A). During the course of appellate proceedings before the ld. CIT(A) the assessee has filed additional evidences. The ld. CIT(A) has called for remand report from the A.O on the additional evidences filed by the assessee. In the remand report, the A.O reported that the assessee has not furnished the required details to verify the additional evidences. The A.o has also observed discrepancies in the submission of the assessee as reported in the remand report elaborated at page 6 to 11 in the order of the ld. CIT(A). After taking into consideration the submission of the assessee the ld. CIT(A) held that the assessee has failed to explain the source of share capital of Rs.1,00,000/-. The ld. CIT(A) has also held that assessee has not furnished copies of bank account of Manekchand Jain and Smt. Mayuri Jain to explain the loan in the hands of the assessee company. It is also stated that assessee has failed to prove the genuineness of the unsecured loan obtained from the aforesaid parties. The ld. CIT(A) has also stated that several discrepancy in the books of account of the assessee were highlighted in the remand report, and most of the transaction were not verifiable.

5. The ld. CIT(A) also stated that assessee has failed to reconciled the discrepancies in the books of accounts. Consequently, the ld. CIT(A) has sustained the additions made by the A.O. After taking into consideration the facts and findings discussed in the order of the ld. CIT(A), we do not find any reason to interfere in the decision of the ld. CIT(A).

6. In the result, the appeal of the assessee stand dismissed.

Order pronounced in the open court on 23.05.2022

Sd/-
(VIKAS AWASTHY)
JUDICIAL MEMBER

Sd/-
(AMARJIT SINGH)
ACCOUNTANT MEMBER

Mumbai, Dated 23.05.2022

PS: Rohit

आदेश की प्रतिलिपि अग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / The CIT(A)
4. आयकर आयुक्त(अपील) / Concerned CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, अहमदाबाद / DR, ITAT, Mumbai
6. गार्ड फाईल / Guard file.

आदेशानुसार / BY ORDER,
सत्यापित प्रति // True Copy //

(Asst. Registrar) ITAT, Mumbai