

**IN THE INCOME TAX APPELLATE TRIBUNAL KOLKATA BENCH 'C', KOLKATA**  
[Before Dr. Manish Borad, Accountant Member & Shri Sonjoy Sarma, Judicial Member]

**I.T.A. No. 2081/Kol/2018**  
**Assessment Year : 2012-13**

M/s. Sage Agro Suppliers (P) Ltd. (PAN: AAPCS 4130 F)	Vs.	ITO, Ward-7(3), Kolkata
Appellant		Respondent

Date of Hearing	23.11.2022
Date of Pronouncement	08.12.2022
For the Assessee	None
For the Revenue	Shri G.H. Scma, CIT/DR

**ORDER**

**Per Shri Sonjoy Sarma, JM:**

This appeal filed by the assessee is directed against the order of Id. CIT(A)-18, Kolkata dated 27.06.2018 relating to A.Y. 2012-13.

2. When the case was called non-appeared on behalf of the assessee on perusal of the file. It shows that number of notices was sent to the assessee including RPAD. But no one turned up on behalf of the assessee. The assessee has not filed any paper book or written submission. It seems that the assessee is not interested to pursue this appeal. We, therefore, deem it proper to adjudicate the appeal on the merits of the case ex-parte qua the assessee on the basis of material available on record and with the assistance of the Id. DR, the assessee has raised the following grounds of appeal for assessment year 2012-13:

*"i. That under the facts & circumstances of the case, the Id. CIT(A) erred in passing order ex-parte.*

*ii. That under the facts & circumstances of the case, the order u/s 144 of the Income Tax Act, 1961 passed by the AO is bad in law.*

*iii. That under the facts & circumstances of the case, the Id. CIT(A) erred in confirming the addition of a sum of Rs. 23,51,00,000/- made by the AO holding the same to be unexplained cash credit u/s 68 of the Income Tax Act, 1961. The addition is unjustified and hence need to be deleted.*

*iv. The appellant craves leave to add, alter, amend, modify or withdraw any ground or grounds of this appeal.”*

3. At the outset, the registry has informed that there is a delay of 17 days while filing this appeal and in pursuance to that the assessee filed delay condonation application along with affidavit stating the reasons for such delay. Accordingly, we condone the delay and decide the case on the basis of material available on record.

4. Brief facts of the case are that the assessee is a private limited company. The source of income is stated to be from investment of shares income at Rs. 1,120/- declaring return of income filed on 27.09.2012 for A.Y. 2012-13. The case of the assessee selected for scrutiny through CASS followed by servicing of statutory notice u/s 143(2) and 142(1) upon the assessee but there was no compliance on behalf of the assessee. Therefore, the AO has no other option but to complete the assessment to the best of judgement on the basis of material available on record. The AO on the examination of balance sheet entries in the return and he observed that authorized capital of the company was Rs. 1,25,00,000/- and issued, subscribed and paid up capital was shown at Rs. 1,22,11,650/- and security premium of Rs. 22,29,88,450/- since there was no compliance on the part of the assessee in response to notice u/s 143(2) and 142(1). The ld. AO did not get the details of share holders and their names, therefore, he could not be able to identify the subscribers of the share capital of the company, genuineness of their transaction and their creditworthiness could be verified. Therefore, the ld. AO viewed that genuineness of transaction remain unexplained, the entire amount of Rs. 23,51,00,000/- which includes Rs. 1,21,11,550/- of fresh share capital and Rs. 22,29,88,450/- of premium thereon which the assessee had shown under the head of share capital & reserve, in the books of the assessee and the ld. AO viewed that such amount of share capital and reserved assessee's own money during the year and added as unexplained credit in the books of the assessee company and added to the total income u/s 68 of the I.T. Act, 1961. Besides that added Rs. 18,493/-, the disallowance made u/s 14A of the Act in the hands of assessee.

5. Aggrieved by the aforesaid order passed by the Assessing Officer, the assessee preferred an appeal before the Id. CIT(A) challenging the impugned order apart from filing the appeal of the assessee made no further efforts before the Id. CIT(A) and even did not file any documentary evidence in support of its claim as the assessee failed to do so, the Id. CIT(A) confirmed the addition.

6. Aggrieved the assessee is in appeal before the Tribunal. Again the assessee failed to appear before us on any of the dates of hearing except filing this appeal before us. It is clearly indicates that the assessee is only trying to delay the proceeding and has nothing to place on record. On the other hand, Id. DR vehemently argued in supporting the order of the lower authorities and pray for confirming the order of Id. CIT(A).

7. We have heard the Id. DR and perused the material placed on record before us. The assessee has challenged the findings of the Id. CIT(A) confirming the addition made u/s 68 of the Act of Rs. 23,51,00,000/- made by the Id. AO for unexplained cash credit of share capital and security premium received during the year. We notice that the assessee company has offered meagre income of Rs. 1,120/- for A.Y. 2012-13 and even in such circumstances that the assessee company has been able to procure share capital and share premium of Rs. 23,51,00,000/-. As the assessee failed to appear before the AO and assessee did not produce the alleged share holder before the AO for identity, creditworthiness and genuineness of the transaction. Even after providing sufficient opportunity, no submission was made either before the Id. AO and Id. CIT(A) nor before us in this regard. The assessee was asked to explain the cash credit received by it during the year. The assessee failed to file necessary details to explain the source of alleged cash credit and also unable to prove identity, creditworthiness/cash creditors as well as genuineness of the transaction as per section 68 of the Act. The assessee company has miserably failed to source of alleged cash credit if the assessee had sufficient details to explain the alleged sum. Consistently escaping from appearing before the Id. AO and the appellate authority,

the Id. CIT(A) indicates that the assessee has no plausible explanation to explain the source of alleged sum of share capital and security premium. In the case of assessee completely failed to explain the alleged cash credit and consistently escaped the provisions of section 68 of the Act are attracted. Thus it is held that the assessee has routed its unaccounted income in the books of account in the form of share capital and security premium by arranging the bogus share capital and share premium through accommodation entry provider. Therefore, under the facts and circumstances of the case, we find no infirmity in the findings of the Id. CIT(A) confirming the addition of Rs. 23,51,00,000/- made u/s 68 of the Act and same is confirmed. Thus the ground of appeal raised by the assessee is dismissed.

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

Order is pronounced in the open court on 08.12.2022

Sd/-

(Manish Borad)  
Accountant Member

Dated: 08.12.2022

*Biswajit, Sr. PS*

Sd/-

(Sonjoy Sarma)  
Judicial Member

Copy of the order forwarded to:

1. Appellant- M/s. Sage Agro Suppliers (P) Ltd., 309, B.B. Ganguly Street, Ground Floor, Kolkata-700 012.
2. Respondent – ITO, Ward-7(3), Kolkata.
3. Ld. CIT
4. Ld. CIT(A)
5. Ld. DR

True Copy

By Order

Assistant Registrar  
ITAT, Kolkata Benches, Kolkata