

IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCHES : A : NEW DELHI

BEFORE SHRI M. BALAGANESH, ACCOUNTANT MEMBER
AND
SHRI ANUBHAV SHARMA, JUDICIAL MEMBER

ITA No.6945/Del/2017
Assessment Year: 2010-11

International Amusement Limited, Vs ACIT,
Sector-10, Metro Walk, Central Circle-2,
Near Rithala Metro Station, New Delhi.
Rohini,
New Delhi – 110 085.

PAN: AAACI0169F

(Applicant)

(Respondent)

Assessee by : None
Revenue by : Shri Zafarul Haque Tanweer, CIT, DR
Date of Hearing : 06.11.2023
Date of Pronouncement : 16.11.2023

ORDER

PER ANUBHAV SHARMA, JM:

The appeal is preferred by the Assessee against the order dated 04.10.2017 of Commissioner of Income Tax (Appeals)-23, New Delhi (hereinafter referred as Ld. First Appellate Authority or in short Ld. 'FAA') in appeal No.390/16-17 arising out of an appeal before it against the order dated 30.12.2016 passed u/s 153A r.w.s 143(3) of the Income Tax Act, 1961 (hereinafter referred to as 'the

Act') by the ACIT, Central Circle-2, New Delhi, (hereinafter referred as the Ld. AO).

2. None appeared for the assessee when the case was called and the record shows that notices have been issued to the assessee on several occasions. No more opportunity is justified. Heard the ld. DR and perused the findings of the tax authorities below.

3. A search and seizure operation u/s 132 of the Act was conducted on the premises and the related person/concern of Appu Ghar group on 10.03.2015. In response to the notice, return was filed u/s 153A of the Act. During the course of search, page No.14, Annexure AA-3, party M-4 were found containing rough noting on the basis of which the ld. AO had made addition of Rs.10 lakh which was sustained by the ld.CIT(A) against which the assessee is in appeal raising the following grounds:-

“1. The order of the learned Commissioner of Income Tax (A) is arbitrary, against law and facts on record.

2. The learned Commissioner of Income Tax (A) failed to appreciate that the issuance of notices u/s 153A / 142(1)/143 (2) of the Income Tax Act, 1961 and the proceedings conducted there under are against the provisions contained in the Income Tax Act, 1961 and is bad in law and hence liable to be quashed.

3. The learned Commissioner of Income Tax (A) has erred in confirming the addition of Rs. 10,00,000/- made on the basis of document during the course of search without going through the facts of the case, statutory provisions as well as explanation filed during the course of appellate proceeding and order so passed shows lack of application of mind.

4. *The learned Commissioner of Income Tax (A) has erred in confirming the addition of Rs. 10,00,000/- made by the Assessing officer on the basis of suspicion, assumption, surmises, & conjectures and without bringing any cogent material on record.*

5. *The appellant herein craves its right to alter, amend, add and / or withdraw any grounds of appeal and / or to take any additional grounds of appeal.”*

4. After perusing the material on record, we are of the view that the ld. tax authorities have reasonably appreciated the seized material. It will be appropriate to reproduce paras 4.1 to 4.6 of the order of the ld.CIT(A) in that regard as follows:-

“4.1 I have considered the material on record including submissions of the appellant and the impugned assessment order. The sole dispute is addition of Rs.10,00,000/- based on is paper seized during the search. The contents of the seized paper suggest the following:-

- i) The cash was received from M/s IRPPL (International Recreation Parks Private Limited) - a group concern was handed over to Sh. N.K.Surana.*
- ii) A cheque of Rs. 10 lacs issued by M/s Solar Farms (M/s Solar Farms Pvt. Ltd.) was received from Sh. N.K.Surana. The said cheque was deposited in the bank account of M/s IAL (international Amusement Ltd.) i.e. the appellant.*
- iii) The said amount of Rs. 10,00,000/- was transferred to M/s IAIL (International Amusement and Infrastructure Ltd.).*
- iv) Rs. 5.50 lacs, in cash was received from Sh. N.K. Surana (referred as NKS) and deposited in the account of M/s IAIL (International Amusement and Infrastructure Ltd.).*

4.2 During the search proceedings on 08.05.2015, Sh. N.K. Surana was confronted with the above said seized paper and his statement was recorded. Sh. Surana was evasive.

4.3 On 01.07.2015 statement of Sh. Abhay Kumar Khater was recorded. It was the residence of Sh. Khater from where M/s Solar Farms Pvt. Ltd. (and many more such companies) were shown as working. Sh. Abhay Kumar Khater told that actual controller of M/s Solar Farms Pvt. Ltd. (and many more such companies) which were shown to be running from his residential address was Sh. N.K. Surana. Sh. Abhay Kumar Khater also told that no books of account of M/s Solar Farms Pvt. Ltd. (and many more such companies) were being maintained at the said premises.

4.4 Sh. Rajendra Kumar Bhansali and his wife Smt. 'Seeta Bhansali were directors of M/s Solar Farms Pvt. Ltd. As per her statement dated 01.07.2015, Sh. Seeta Bhansali was found to be ignorant of names of the companies of which she was director. She was merely signing papers related to those companies on the instruction of her husband. Sh. Rajendra Kumar Bhansali in his statement dated 01.07.2015 admitted that all the companies (including M/s Solar Farms Pvt. Ltd.) in which he was director, were being controlled by key persons of Appu Ghar Group and he was merely signing documents on the instructions of Sh. N.K. Surana.

4.5 The Assessing Officer found that on 25.03.2010 a cheque of Rs. 10,00,000/- issued by M/s Solar Farms Pvt. Ltd. was deposited in the bank account of the appellant.

4.6 The Assessing officer made the addition of Rs. 10,00,000/- u/s 68 observing that Shri N.K Surana was 'accommodation entry' provider."

5. The Id. CIT(A) has duly appreciated the fact that the seized material belonged present relevant assessment year. Thus, the grounds raised have no substance. In the result, the appeal of the assessee is dismissed.

Order pronounced in the open court on 16.11.2023.

Sd/-

(M. BALAGANESH)
ACCOUNTANT MEMBER

Sd/-

(ANUBHAV SHARMA)
JUDICIAL MEMBER

Dated: 16th November, 2023.

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Copy forwarded to :

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asstt. Registrar, ITAT, New Delhi