

आयकर अपीलीय अधिकरण, इंदौर न्यायपीठ, इंदौर  
**IN THE INCOME TAX APPELLATE TRIBUNAL  
INDORE BENCH, INDORE**

**BEFORE SHRI VIJAY PAL RAO, JUDICIAL MEMBER**  
**AND**  
**SHRI B.M. BIYANI, ACCOUNTANT MEMBER**

**ITA No.135/Ind/2023**  
**(Assessment Years:2011-12)**

Smt. Shakuntala Khandelwal 17, Palash Palace Colony Bengali Chouraha Indore	Vs.	ITO-5(3) Indore
(Appellant / Assessee)		(Revenue)
<b>PAN: AJHPK 5366 R</b>		
Assessee by	None	
Revenue by	Shri Harshit Bari, Sr.DR	
Date of Hearing	31.10.2023	
Date of Pronouncement	31.10.2023	

**O R D E R**

**Per Vijay Pal Rao, JM:**

This appeal by the assessee is directed against the order dated 10.02.2023 of Commissioner of Income Tax(Appeal), National Faceless Appeal Centre, Delhi for Assessment Year 2011-12.

2. None has appeared on behalf of the assessee when this appeal was called for hearing. It transpires from the record that despite repeated notices issued to the assessee including through e-mail nobody has appeared. The notices were also issued to the authorized representative of the assessee to e-mail ID but there was no response. The notice issued through RPAD has been received back with the postal remark "addressee left without address". Therefore, this bench proposes to hearing and

disposed of this appeal ex-parte. The assessee has raised following grounds of appeal:

*“The learned Commissioner erred in sustaining addition of Rs.1574900/- out cash credit of Rs.850000/- and undisclosed investment of Rs 654302/- as arbrentory without considering of the facts, assuming income of an assessed for relevant year, the said addition kindly be deleted in the interest of natural justice.*

*The appellant craves leave to add, alter, amend, modify, substitute, delete or rescind any or all of the above grounds of appeal before or at the time of hearing.”*

3. We have Ld. DR and carefully perused the impugned order of the Ld. CIT(A). At the outset, we note that there was no representation even before the CIT(A) despite the notices issued by the CIT(A) as stated in the impugned order. Thus, it appears that the assessee is habitual defaulter of appearance. The assessee is aggrieved by the addition sustained by the CIT(A) of Rs.8,50,000/- as cash credit and Rs.6,54,302/- as undisclosed investment. The AO has examined the assessee in person and recorded the statement u/s 131 of the Act to verify the genuineness of the transaction of profit of investment claimed from M/s. Mega Money Commodities Ltd. as well as the source of cash credit. Since there was no satisfactory explanation on the part of the assessee the AO made an addition on account of unexplained cash credit of Rs.8,50,000/- and undisclosed income of Rs.6,54,302/- total amounting to Rs.15,74,902/-. The assessee challenged the action of the AO before the Ld. CIT(A) but there was no representation on behalf of the assessee nor any submissions were filed consequently the Ld. CIT(A) has decided these two issues as under:

*“4.1.1 Ground No 2 relates to the AO making addition of cash credit of Rs.850000/1 have carefully considered the facts of the case, the assessment order and the submission and evidences on record. The brief facts is that the appellant filed the return of income for the relevant assessment year on 11.01.2012 declaring total income of Rs.70,600 from rent and interest. Thereafter, notice u/s 148 of the Act was issued on 29.03.2018. the appellant was asked during the course of assessment proceedings to explain the cash credit of Rs.8,50,000 in her bank account. As the appellant failed to produce any documentary evidence in support, the AO added the cash credit of Rs 8,50,000 to the income of the appellant. The appellant has failed to*

*submit any submissions and evidences in response to the hearing notices issued during the appellate proceeding.*

*4.1.2 I find that during the course of assessment proceeding, the appellant was issued a summon u/s 131 on 19.12.2018 and the appellant attended on 21.12.2018 and recorded statement on oath. I find that the appellant has only shown total income of Rs.70,600 from rent and interest during the FY 2010-11. The AO held that with regard to the cash credit of Rs.8,50,000, the appellant failed to produce any documentary evidence in support of the claims. Thus, the claim of the appellant that no opportunity was granted to the appellant for explaining source of deposit is not correct and without any merit. The appellant has not given any cogent reasons for the cash credit. Such cash credits cannot be explained from the know source of income of the appellant as the appellant has only shown total income of Rs 70,600 from rent and interest during the FY 2010-11. The appellant has not offered any explanation with necessary evidences on the source of cash deposit. Therefore, I uphold the addition made by the AO of Rs.8,50,000. Accordingly, the appeal in this ground is dismissed.*

*4.2.1 Ground No 3 relates to the addition of Rs.654302/- as undisclosed income from investment in M/s. Mega Money Commodities Ltd. The brief facts is that the AO during the course of assessment proceedings found that the appellant had booked profit of Rs.6,54,302 from M/s Mega Money Commodities Ltd. The AO asked the appellant the source of investment in the said company and whereabouts of M/s Mega Money Commodities Ltd and its director namely Shri Luvkush Gadia and also its actibity. The appellant submitted before the AO that the company was engaged in trading of commodity through online and she did not aware of Shri Luvkush Gadia. In the statement of Shri LuvkushGadia taken by the DDIT(Inv)-2, Indore, he confessed that he received the cash from various beneficiary and deposited into bank accounts of M/s Mega Money Commodities Ltd routed through various bank accounts. As a result, they were given cheques. The AO found that the appellant tried to whiten her black money by receiving accommodation entry from M/s Mega Money Commodities Itd and accordingly added Rs.6,54,302 to the income of the appellant.*

*4.2.2 I have carefully considered the facts of the case, the assessment order and the submission and evidences on record. I find that the appellant has only shown total income of Rs.70,600 from rent and interest during the FY 2010-11. The appellant has not been able to explain the source of such transactions with M/s Mega Money Commodities Ltd. The statements recorded of Shir luvkush Gadia also lends credence to the fact that these are just accommodation entries designed to convert the black money by bringing into into the books through colourable means. Therefore, I uphold the addition made by*

*the AO of Rs.6,54,302. Accordingly, the appeal in this ground is dismissed.”*

4. Therefore, in absence of any explanation and evidence filed by the assessee the addition made by the AO was confirmed by the CIT(A). Even before the Tribunal the assessee has not produced any material or evidence or explanation in support of its appeal. Theretofore, in the facts and circumstances of the case when the assessee has failed to discharge its onus to explain the source of cash credit as well as investment made in M/s. Mega Money Commodities Ltd. we do not find any error or illegality in the impugned order of the Ld. CIT(A) the same is upheld.

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

Order pronounced on conclusion of hearing in the open court  
on 31.10.2023

**Sd/-**

**(B.M. BIYANI)**  
Accountant Member

**Indore, 31.10.2023**

**Patel/Sr. PS**

Copies to: (1) The appellant  
(2) The respondent  
(3) CIT  
(4) CIT(A)  
(5) Departmental Representative  
(6) Guard File

**Sd/-**

**(VIJAY PAL RAO)**  
Judicial Member

By order

Sr. Private Secretary  
Income Tax Appellate Tribunal  
Indore Bench, Indore