

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH "E": NEW DELHI**

**BEFORE SHRI KUL BHARAT, JUDICIAL MEMBER
AND
DR. B.R.R. KUMAR, ACCOUNTANT MEMBER**

**ITA No. 6928/DEL/2019
Assessment Year: 2014-15**

Murari Clothing Pvt. Ltd., 109, Laxminagar Extn., Laxmi Nagar, New Delhi-110092. PAN-AAECM2726J	<u>Vs</u>	Income-tax Officer, Ward 17(2), New Delhi
APPELLANT		RESPONDENT
Assessee represented by	None	
Department represented by	Sh. Jeetender Kumar Kale, Sr. DR	
Date of hearing	02.01.2024	
Date of pronouncement	02.01.2024	

ORDER

PER KUL BHARAT, JM:

This appeal, by the assessee, is directed against the order of the learned Commissioner of Income-tax (Appeals)-6, New Delhi, dated 12.04.2019, pertaining to the assessment year 2014-15. The assessee has raised following grounds of appeal:

“1. That the order passed by the ld.CIT(A) and Ld. A.O. is bad in law and against the facts of the case.

2. That the Id. A.O. erred in invoking provisions of section 68 of the Income Tax Act, 1961.

3. That the Ld. CIT(A) erred in sustaining the addition made by the ld. A.O. amounting Rs. 90,00,000/- on account of share capital raised under section 68 of the Act.

4. That the Ld. CIT(A) erred in not considering the fact that the Id. AO has wrongly assumed that the appellant is engaged in the business of providing accommodation entries.

5. That the Ld. CIT(A) erred in confirming the addition made by the Id. AO of Rs. 4,10,220/- assumed to have earned on account of accommodation entries.

6. That the Id. A.O. erred in initiating penalty u / s 271(1)(c)

7. That the ld. CIT(A) and Ld. A.O. also erred in not following various judgments of jurisdictional High Court and ITAT.”

2. At the time of hearing no one attended the proceedings. It is seen from the records that no one has been attending the proceedings since 06.06.2022. Notices of hearing sent to the assessee at the address furnished in Form no. 36 have been returned unserved. No change in address, if any, has been furnished by the assessee. Under these circumstances we proceed to dispose of the appeal ex parte, qua the assessee and in that process we have heard learned DR and perused the material available on record.

3. Ground nos. 1 & 7 are general and need no adjudication.

4. Ground nos. 2 to 4 relate to the addition made u/s 68 of the Income-tax Act, 1961 (hereinafter referred to as the "Act"). Learned DR has strongly relied upon the findings of authorities below on the issue in question. He submitted that the assessee did not discharge the onus to prove the identity and creditworthiness of the creditors as well as the genuineness of the transaction.

4.1 We find that the AO has made elaborate inquiry and had also deputed Inspector regarding verification of the claim of the assessee about share capital and share premium of Rs. 90,00,000/- during the assessment year under appeal. In para 6.3 the AO has observed that assessee had received share capital from various entities amounting to Rs. 90,00,000/-. Inquiry was made about these entities and the Inspector had given adverse report about such entities. Therefore, the AO treating the same as unexplained cash credits made addition u/s 68 of the Act. Before us, the assessee has not placed any evidence to rebut the findings of the lower authorities. In the absence of credible evidence rebutting the finding of lower authorities, we do not see any reason to interfere in the finding recorded by the lower authorities on the issue in question and the same is hereby affirmed. Consequently, ground nos. 2 to 4 of assessee's appeal stands dismissed.

5. Ground no. 5 is against sustaining the addition of Rs. 4,10,220/- in respect of income earned on account of providing accommodation entries. During

assessment proceedings the AO observed that assessee was engaged in the business of providing accommodation entries. Applying the rate of commission @ 1.8% on such credit entries, the AO made addition of Rs. 4,10,220/- as assessee's income on account of providing accommodation entries. In appeal the learned CIT(A) affirmed the action of the AO. Aggrieved, the assessee is in appeal before the Tribunal.

5.1 We find that the AO has given elaborate finding in arriving at his conclusion in making the impugned addition. Before us the assessee could not adduce any material so as to deviate from the finding of the authorities below on the issue in question. Accordingly, we are constrained to affirm the finding of the authorities below in making the addition of Rs. 4,10,220/- as assessee's income on account of providing accommodation entries. Consequently, ground no. 5 of assessee's appeal is dismissed.

6. Ground no. 6 relating to initiation of penalty proceedings u/s 271(1)(c) is premature and stands rejected accordingly.

7. As regards ground no. 7, we find that no specific judgment has been cited and only a general statement has been made. Accordingly, this ground needs no adjudication.

8. Consequently, assessee's appeal stands dismissed.

Order pronounced in open court on 02.01.2024.

Sd/-
(DR. B.R.R. KUMAR)
ACCOUNTANT MEMBER

Sd/-
(KUL BHARAT)
JUDICIAL MEMBER

MP

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR
ITAT, NEW DELHI