

IN THE INCOME TAX APPELLATE TRIBUNAL  
Mumbai "B" Bench, Mumbai.

Before Shri Amit Shukla (JM) & Shri Omkareshwar Chidara (AM)

I.T.A. No. 763/Mum/2024 (A.Y. 2013-14)

Meena Chetan Vora A 57/1195, Green Land CHSL, Veera Desai Road, Azad Nagar, Andheri West Mumbai-400 053.  PAN : ABLPV9449G (Appellant)	Vs.	ACIT-24(2) Piramal Chambers Lalbaug Mumbai-400 012.  (Respondent)
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Assessee by	Shri Pranay Punamiya
Department by	Shri Ashok Kumar Ambastha
Date of Hearing	02.06.2024
Date of Pronouncement	23.08.2024

ORDER

Per Omkareshwar Chidara (AM) :-

In the above cited appeal, the learned Assessing Officer (Ld. AO for short) made following two additions :-

- a) Net profit as per audited balance sheet/profit and loss account Rs. 2,00,58,532/-
- b) Unexplained cash deposits Rs. 10,50,000/-

2. From the assessment order, it is observed that despite giving several opportunities, appellant did not provide books of account, stock register etc. relating to logistics business and hence he proceeded to make above additions based on the audited profit and loss account and balance sheet which were enclosed alongwith the Return of Income. The main contention of the Ld. AO for making addition is that the appellant has shown net profit as per audited accounts at Rs. 2,00,58,582/-, whereas in the computation of total income under the head "profits and gains of business or profession", net loss was admitted at Rs. 23,59,215/-. The appellant has mentioned reason

for loss is because of the difference in the logistics business turnover. But, the accounts of logistics business were not produced before the Ld. AO at the time of assessment and hence the Ld. AO took the net profit as per the profit and loss account of audited books of account while completing the assessment. Similarly the appellant did not give any explanation for cash deposit of Rs. 10,50,000/- despite being asked. Hence, this addition too was made by the Ld. AO while completing the assessment.

3. Aggrieved by these two additions, the appellant filed an appeal before the learned Commissioner of Income Tax (the Ld. CIT(A) for short) stating that the additions are unwarranted. It was also mentioned that the last day of passing the assessment order i.e. 30.3.2016, the appellant stated that he has given reasons for non-cooperation with the Department. This letter was received in the office of the Assistant Commissioner of Income Tax on 30.3.2016, whereas the assessment order was already passed on 30.3.2016. Before the Ld. CIT(A), appellant has stated that the company has suffered a huge loss and the business was closed, bank credit facilities were terminated and all his staff left the office. It was also stated that they are facing some legal cases and the consultants who were handling the accounts did not respond because appellant has not paid professional fees and the office was also shut down and it was not possible for him to respond to the notices. Before the Ld. CIT(A) also, no further details were submitted nor any fresh evidence was submitted nor appellant reconciled the difference between the audited accounts and computation of income. In view of the same, the Ld. CIT(A) has quoted several cases law for the proposition that the onus lies on the appellant to substantiate his arguments. In this impugned case, appellant could not reconcile difference between the audited accounts and Return of Income filed by him. As mentioned earlier, the appellant could not reconcile the difference in logistics business turnover of Rs. 2,21,45,454/- nor gave any explanation for this cash deposits of Rs. 10,50,000/-. Hence, the Ld. CIT(A) also confirmed the additions made by the Ld. AO.

4. Aggrieved by the orders of the Ld. AO and the Ld. CIT(A), the appellant filed an appeal before the ITAT, Mumbai stating that the assessment made by the Ld. AO is bad in law and hence additions should be deleted.

5. Per contra, Ld. DR argued that the appellant did not file any details with regard to the difference in logistics business turnover nor file any explanation/source for the cash deposits of Rs. 10,50,000/- and hence the orders of the lower authorities should be confirmed.

6. Heard both sides. The appellant filed a letter dated 30.3.2016 which was received in the Income Tax Office on 31.3.2016 mentioning reasons that prevented him from submitting the details and documents required by the Ld. AO. In view of the practical difficulties faced by the appellant that he suffered a huge losses, office was closed, auditors did not represent his case because professional fees was not paid, bank has terminated his credit facilities etc., the Bench decided to give the appellant one more opportunity to present his case before the Ld. AO. The appellant is directed to cooperate with the Department and provide all the details required by the Ld. AO and reconcile the difference between the audited accounts and computation of income filed before the Ld. CIT(A). He should also explain source for cash deposits of Rs. 10.5 lakhs as mentioned in the assessment order.

7. With the above observations the matter is set aside to the file of the Ld. AO. The appeal is allowed for statistical purposes.

Order pronounced in the open court on 23<sup>rd</sup> August, 2024.

Sd/-  
(Amit Shukla)  
Judicial Member

Sd/-  
(Omkareshwar Chidara)  
Accountant Member

Mumbai : 23.08.2024

Copy of the Order forwarded to :

1. The Appellant
2. The Respondent
3. The CIT(A)
4. CIT
5. DR, ITAT, Mumbai.
6. Guard File.

//True Copy//

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BY ORDER,

(Assistant Registrar)  
ITAT, Mumbai