

**IN THE INCOME TAX APPELLATE TRIBUNAL
"SMC" BENCH MUMBAI**

BEFORE HON'BLE SHRI SANDEEP GOSAIN, JUDICIAL MEMBER

**ITA No. 5532/Mum/2024
(Assessment Year: 2017-18)**

Sidhivinayak Sales Corporation G-45, APMC Market I, Phase II, Mudi Bazar, Sector 19, Vashi Navi Mumbai – 400703.	Vs.	ITO, Ward 28(3)1 3 rd Floor, Tower No. 6 Vashi Railway Station Bldg, Navi Mumbai – 400 703.
PAN/GIR No. ADAFS2280F		
(Applicant)		(Respondent)

Assessee by	None
Revenue by	Shri Vithal Machindra Bhosale, Sr. DR

Date of Hearing	17.12.2024
Date of Pronouncement	19.12.2024

आदेश / ORDER

PER SANDEEP GOSAIN, JM:

The present appeal has been filed by the assessee challenging the impugned order 29.08.2024, passed u/s 250 of the Income Tax Act, 1961 ('the Act'), by the National Faceless Appeal Centre, Delhi / ('Ld. CIT(A)'), for the assessment year 2017-18.

2. At the time of hearing, none appeared on behalf of the assessee when the case was called. From the records, we noticed that the service of notice was effected upon the

assessee through registered post acknowledgement due on the address supplied by the assessee, however the said notice was returned back with the endorsement 'left' and assessee has not provided any other address for effecting service. The notice was sent on last and best known address. Therefore, I consider the service of notice upon the assessee was 'duly served' and thus it was the duty of the assessee to appear before the Bench on each and every date of hearing as the appeal has been filed by the assessee. Since none appeared on behalf of the assessee when the case was called, which shows that assessee is not interested in pursuing the present appeal, therefore assessee is proceeded *ex-parte*. On the contrary, the Ld. DR present in the court is ready with the arguments, therefore I have decided to proceed with the hearing of the case *ex-parte*.

3. By raising the grounds of appeal, the assessee has challenged the reopening of assessment and also sustaining and confirming the additions of Rs. 13,05,000/- as undisclosed income. From the records, I noticed that on the basis of information received by the AO that assessee had made cash deposits during the demonetization period hence notices were issued to the assessee and after seeking reply of the assessee assessment was framed thereby making additions as the assessee could not explain the source of deposit of the above amount in his bank account. Even before Ld. CIT(A) the assessee has not made any compliance

of the notices issued to him. Therefore considering the facts of the appeal the same was also dismissed.

4. Now after having gone through the entire facts and circumstances of the present case and also having heard Ld. DR I am of the view that it is obligatory on the part of the assessee to cooperatively and effectively pursue the appeal before the appellate authority in effective and productive manner. Whereas the facts of the present case clearly reveals that assessee through its repetitive non compliance has shown complete lack of interest in pursuing the appeal. The assessee has not even given the basic details in support of its claim and therefore I find no reasons to interfere into or deviate from orders passed by the revenue authorities. The only defence raised by the assessee before the Ld.AO was that the cash deposited during the demonetization period was from its business proceeds, however the AO did not accept it and the operative portion of the order of the AO is reproduced below:

(vi) On perusal of Return of Income filed by the assessee, it is seen that the assessee has disclosed the cash deposit to the tune of Rs.9,85,000/- only as against the total cash deposit made of Rs. 13,05,000/-. Further, on perusal of cash book submitted by the assessee, it is seen that cash sales to the tune of Rs.8,08,960/- is reflecting on 18.11.2016. It is pertinent to mention that the total cash sales during the period 01.04.2016 was Rs.44,16,008/-. The daily average cash sales arrive at rs. 16,355/- (44,16,008/270) against the sale of Rs.5,47,389/- in the month of April. 12-month average cash sales arrive at Rs.3,68,000/- (44,16,008/12). This clearly shows that the sale on

09.11.2016 & 30.11.2016 was exceptionally high. It is pertinent to mention that the assessee had deposited cash to the tune of Rs. 13,05,000/- in its bank account in the period 09.11.2016 & 30.11.2016. Further, the cash deposits do not commensurate with the income by the assessee. As discussed above, the submission of the assessee has various discrepancies and hence, the same could not be entertained. The documents submitted by the assessee is colourable documents and the same has been made to justify the cooked story. The assessee has no proper source of income to make such a huge cash deposit in his bank accounts during the demonetization period."

5. Therefore, in the absence of any evidence regarding the source of cash deposits the AO has rightly held the sum as unexplained and made addition u/s 69A of the Act. Even before CIT(A) and before me the assessee has neither appeared nor placed on record any details or submissions to rebut or controvert the findings of the revenue authorities. Thus, I feel no reasons to interfere into the well reasoned orders passed by the revenue authorities.

6. In the result, the appeal filed by the assessee stands dismissed with no order as to cost.

Order pronounced in the open court on 19.12.2024.

Sd/-

(SANDEEP GOSAIN)
JUDICIAL MEMBER

Mumbai, Dated 19/12/2024

KRK, PS

आदेश की प्रतिलिपि अग्रेषित / Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / The CIT(A)
4. आयकर आयुक्त (अपील) / Concerned CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, मुम्बई / DR, ITAT, Mumbai
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

सत्यापित प्रति //True Copy//

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उप/सहायक पंजीकार (Asst. Registrar)
आयकर अपीलीय अधिकरण, मुम्बई / ITAT, Mumbai