

**IN THE INCOME TAX APPELLATE TRIBUNAL “D” BENCH, MUMBAI**

**BEFORE SHRI SAKTIJIT DEY, VICE PRESIDENT  
AND  
SHRI. MAKARAND VASANT MAHADEOKAR, AM**

ITA Nos.5045 & 5044/Mum/2025  
(Assessment Years: 2021-22 & 2022-23)

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| <b>Darwin Platform Industries Limited</b><br>H Wing, Unit No. 127, Ansa Industrial<br>Estate, Saki Naka, Saki Vihar Road,<br>Andheri (East), Mumbai – 400072. | Vs. | <b>Income Tax Officer, Ward 9(3)(1)</b><br>Aaykar Bhavan, Mumbai |
| <b>PAN/GIR No. AAECD5246N</b>   |     |  |
| <b>(Assessee)</b>   | :   | <b>(Respondent)</b>  |

|                      |   |                                 |
|----------------------|---|---------------------------------|
| <b>Assessee by</b>   | : | None                            |
| <b>Respondent by</b> | : | Shri Umashankar Prasad (CIT DR) |

|                              |   |            |
|------------------------------|---|------------|
| <b>Date of Hearing</b>       | : | 24.02.2026 |
| <b>Date of Pronouncement</b> | : | 27.03.2026 |

**ORDER**

**PER SAKTIJIT DEY, VICE PRESIDENT:**

The captioned appeals by the assessee arise out of two separate orders, both dated 17.06.2025, passed by National Faceless Appeal Centre (NFAC), Delhi ('Id. CIT(A)' for short), pertaining to the Assessment Years ('A.Y.' for short) 2021-22 and 2022-23.

2. Before we proceed to dispose off the appeals on merit, it is necessary to observe that the appeals were listed for hearing for the first time on 15.10.2025. However, none appeared on behalf of the assessee. Therefore, bench directed issuance of fresh notice of hearing through speed post and adjourned the appeals to 11.12.2025. On 11.12.2025 also none appeared. Hence, the matter had to be adjourned to 09.02.2026 on which date again the assessee remained absent. Therefore, appeals were again adjourned to



24.02.2026. Perusal of record reveals that in terms with the directions of the Bench not only notices of hearing were issued on multiple occasions through speed post but were also issued electronically to the email id of the assessee as provided in the memorandum of appeal in form no. 36. The notice of hearing was communicated to the assessee's email id on 28.08.2025, 16.10.2025, 11.12.2025 and 09.02.2026. However, the assessee has failed to respond on even a single occasion. Perusal of record further reveal that assessee's conduct before the First Appellate Authority was indifferent. This is evident from the following observations of the First Appellate Authority in the order passed in A.Y. 2021-22:

*"6. Notice(s) u/s 250 of the Income tax Act, 1961 were issued to the appellant on 30.05.2024, 01.07.2024, 07.08.2024, 09.02.2025, 06.05.2025, and 29.05.2025 fixing the date for filing details/submissions on 10.06.2024, 16.07.2024, 16.08.2024, 24.02.2025, 13:05 2025 and 05.06.2025 respectively All these notices were duly served electronically on to the registered e-mail ID of the appellant and the status of these notices on ITBA system is showing as Delivered in response to initial four notices, assessee has asked for adjournment, which has been given as per request of the assessee. Further, during last two notices assessee has not responded at all."*

3. In A.Y. 2022-23, facts are more or less identical. The following observations of the First Appellate Authority bear testimony to assessee's recalcitrant attitude.

*"6. Notice(s) u/s 250 of the Income tax Act, 1961 were issued to the appellant on 07.04.2025, 19.05.2025, 22.05.2025 and 09.06.2025 fixing the date for filing details/submissions on 15.04. 2025, 26.05.2025, 06.06.2025 and 16.06.2025 respectively. All these notices were duly served electronically on to the registered e-mail ID of the appellant and the status of these notices on ITBA system is showing as "Delivered". However, the appellant has not responded to any of the hearing notices."*

4. Since the assessee has remained non-responsive despite multiple notices being issued both through post and email, we are of the view that the assessee lacks interest in pursuing the present appeals and is negligent in its approach towards the appeals. For these reasons, we are of the view that the assessee does not deserve any further



opportunity. Accordingly, the assessee is set ex parte and we proceed to dispose off the appeals with the assistance of the learned Departmental Representative ('ld. DR' for short) and based on materials available on record.

5. Briefly the facts are, the assessee is a resident corporate entity stated to be engaged in the business of retail trading and dealing in all kinds of goods, merchandise including raw material, finished or semi-finished items of grocery, garments, fruits and vegetables, apparels, furniture, fixture and furnishing cosmetic, child care products, electric and electronic products, etc. For the assessment year under dispute, the assessee had filed its return of income u/s. 139(1) of the Act. The return of income filed by the assessee was selected for scrutiny to verify, amongst others purchases. As per the information available with the Assessing Officer, it was found that the assessee had made substantial purchases from suppliers who were either non-filers of return of income or have filed non-business returns or reflected a substantially lower turnover as compared to turnover shown in the GST return. The Assessing Officer was also of the view that the assessee's have booked bogus expenses in order to reduce its profits. Therefore, the genuineness of expenses required to be verified. Based on such information, the Assessing Officer issued notices u/s. 142(1) of the Act, seeking complete details of purchases and expenses. Though, the assessee furnished some details, however, the Assessing Officer was not convinced. He found that most of the suppliers/sellers of goods to the assessee appeared to be non-genuine as the status of their GST registration was found to be inactive. He further observed that no concrete evidence was furnished by the assessee to establish the genuineness of purchases. Therefore, he issued a show cause notice to the assessee to explain why the purchases



shown by the assessee should not be treated as non-genuine. Though, the assessee objected to the propose action of the Assessing Officer to treat the purchases and sales as non-genuine, however, rejecting the objection of the assessee, the Assessing Officer proceeded to complete the assessment by treating both the sales and purchases as unaccounted. Ultimately, the Assessing Officer estimated profit @8% on the unaccounted sales and made addition of Rs. 41,81,95,468/- in A.Y. 2021-22.

6. In so far as A.Y. 2022-23 is concerned, the Assessing Officer found that the assessee had shown large value creditors in the balance sheet, which is more than 50% of the purchase shown in the profit and loss account. Therefore, he called upon the assessee to establish the genuineness of the creditors/liabilities through documentary evidence. In response to the query raised by the Assessing Officer, the assessee furnished the trial balance as per the books of accounts along with purchase and sales details. After verifying the details, the Assessing Officer noticed that major purchases were items with nil GST. Whereas, sales of nil GST items was only Rs. 9.67 crores. The income from operations have been shown at Rs. 142.51 crores. This income was not admitted in the GST returns. Referring to the bank statements, the Assessing Officer observed that they did not reflect such sales. Referring to the trial balance, the Assessing Officer observed that the assessee was not in a position to submit the partywise ledgers. He observed that the assessee had maintained sales and purchases according to the percentages of GST payable and collectable on it. Comparing the figures appeared in the books of accounts, the Assessing Officer observed that the assessee has shown exaggerated figures of purchases and sales in the trading of profit and loss account. He further found that the assessee had availed loans above Rs. 1 crore from related parties



aggregating to Rs. 250.35 crores. Whereas, the entire loan amount has been invested in the fixed assets of the company. Referring to the balance sheets of the preceding years, the Assessing Officer found increase of unsecured loans from related parties over the years, there is increase in fixed asset. Thus, on analysis of aforesaid facts, the Assessing Officer came to conclude that the assessee is creating huge liability against its sister concerns to facilitate source of capital for its sister concern. After analyzing the pattern of loans availed from sister concerns increase in fixed assets and the credit and debit entries in the bank statement, the Assessing Officer observed that as per the bank accounts, the debits are more than the credits which is indicative of the fact that the assessee does not have such liabilities because the withdrawals are the repayments of the assessee. More so, when the payments to related parties are not reflected in the bank account. He observed, the funds generated through bogus liabilities created as part of sister concern as advances and loans, though such fact is not corroborated through the bank statements. Thus, ultimately he concluded that the trade payables and advances to sister concerns are bogus and unexplained income of the assessee in terms of Section 69A of the Act.

7. Having held so, he added back an amount of Rs. 129,10,53,281/- to the income of the assessee. Against the assessment order so passed the assessee preferred appeals before learned First Appellate Authority. However, in the impugned order, learned First Appellate Authority has dismissed the appeals.
8. We have heard the ld. DR and perused the materials on record. In so far as A.Y. 2021-22 is concerned, the Assessing Officer did receive specific information from the GST department to indicate that the income shown by the assessee is not commenced with



the purchases and sales claimed to have been made during the year. In course of assessment proceeding, though the assessee furnished partial details but they were not enough to convince the Assessing Officer. Hence, he proceeded to estimate profit on unaccounted sales. Before learned First Appellate Authority, the assessee failed to make any compliance so as to improve its case. Even before us, the situation is identical as the assessee has failed to appear. When the Assessing Officer has made addition alleging that sales effected by the assessee are unaccounted, it is for the assessee to come forward and furnish cogent documentary evidence to establish the genuineness of sales and also to prove that they are not out of books. Nothing has been brought on record either before the First Appellate Authority or before us to destabilize the decision of the Assessing Officer. In view of the aforesaid, we did not find any reason to interfere in the decision of the learned First Appellate Authority.

9. In so far as A.Y. 2022-23 is concerned, the Assessing Officer has given a categorical finding that the assessee has availed credit facility from related parties to create liability which generates source of capital for them to transact in money. The assessee has failed to prove any substantive material on record to controvert the aforesaid finding of the Assessing Officer even before the First Appellate Authority or even before us. Therefore, due to lack of proper representation and documentary evidences, we are not in a position to disturb the finding of the Assessing Officer on the issue. Accordingly, we uphold the order of learned First Appellate Authority on the issue of addition made by the assessee.



10. In the result, both the appeals are dismissed.

*Order pronounced on 27.03.2026*

**Sd/-**  
**(MAKARAND VASANT MAHADEOKAR)**  
**ACCOUNTANT MEMBER**

**Sd/-**  
**(SAKTIJIT DEY)**  
**VICE PRESIDENT**

Mumbai; Dated: 27.03.2026  
**Karishma J. Pawar (SR. PS)**

**Copy of the Order forwarded to:**

1. The Appellant
2. The Respondent
3. CIT- concerned
4. DR, ITAT, Mumbai
5. Guard File

BY ORDER,

(Dy./Asstt.Registrar)  
ITAT, Mumbai