IN THE INCOME TAX APPELLATE TRIBUNAL "D" BENCH, MUMBAI

BEFORE SHRI VIKRAM SINGH YADAV, AM
AND
MS. KAVITHA RAJAGOPAL, JM

ITA Nos.179 & 180/Mum/2021
(Assessment Years: 2013-14 & 2014-15)

M/s. Ritebane Agritech Solution, C/o Adv. Hitesh Chimnani, UG-37 Trade Centre, 18 South Tukoganj Indore, Madhya Pradesh – 452 001	Vs.	**DCIT Circle-8(1)(1),** Mumbai
PAN:AAFCR8772C		
(**Appellant**)	:	(**Respondent**)

ITA No.181/Mum/2021
(Assessment Year:2014-15)

M/s. R.B. Global Agri Trading Pvt. Ltd., C/o Adv. Hitesh Chimnani, UG-37 Trade Centre, 18 South Tukoganj Indore, Madhya Pradesh – 452 001	Vs.	**DCIT Circle-8(1)(1),** Mumbai
PAN:AAFCR8772C		
(**Appellant**)	:	(**Respondent**)

Assessee by	:	None
Respondent by	:	Shri Annavaram Kosuri, Sr. AR

Date of Hearing	:	28.01.2026
Date of Pronouncement	:	29.01.2026

O R D E R

Per Kavitha Rajagopal, JM:

The captioned appeals have been filed by two different assessee companies, challenging the order of the Learned Commissioner of Income Tax (Appeals) ['Ld. CIT(A)' for short] passed u/s. 250 of the Income Tax Act, 1961 ('the Act'), pertaining to the Assessment Years ('A.Y.' for short) 2013-14, 2014-15 & 2014-15. As the facts are identical in these appeals, we hereby pass a consolidated order by taking the facts of ITA No.179/M/2021 as the lead case.

2. It is observed that there has been no representation by the assessee nor by its authorized representative for several hearings and the Bench on earlier occasion i.e. on 04.11.2025 has noted that the assessee was given 45 opportunities and was directed to be ready with the matter as being last and final opportunity, however, the Learned Authorized Representative ("Ld. AR" for short) for the assessee sought for another adjournment on 17.12.2025. Today, when the matter came up before us for hearing none appeared on behalf of the assessee nor was any adjournment application filed before us. We, therefore, proceed to decide these appeals by hearing the Learned Departmental Representative ("Ld. DR" for short) and on perusal of the materials available on record.

2. The assessee has raised the following grounds of appeal:

> *"1. That on the basis of the facts and circumstances of the case and in law the order passed by the Ld. CIT-(A) is bad in law and deserves to be set-aside as the same was passed against the principles of natural justice.*
>
> *2. That on the facts and in the circumstances of the case and in law, the Ld. CIT-(A) erred in confirming the erroneous additions made by the Ld. AO to the tune of Rs.2,10,86,000/- u/s 68 of the Income Tax Act, 1961 without properly considering the facts of the case and the evidences placed before him.*
>
> *3. The appellant craves leave to add, amend, modify, or withdraw any of the grounds of appeals at the time of hearing."*

3. Brief facts of the case are that the assessee is a private limited company engaged in the business of engineering procurement construction EPC services and had filed its return of income for the year under consideration dated 28.09.2013 declaring total income at

Rs.85,90,590/-. The assessee's case was selected for scrutiny and notices u/s. 143(2) and 142(1) of the Act were duly issued and served upon the assessee. The Learned Assessing Officer ("Ld. AO" for short) after duly considering the assessee's submission passed the assessment order dated 30.03.2016 u/s 143(3) of the Act determining the total income at Rs.2,96,76,590/- after making an addition of Rs.2,10,86,000/- as unexplained cash credit u/s 68 of the Act towards share capital including share premium received from M/s. Vijeta Trading Pvt. Ltd. which according to the Ld. AO was a mere bogus transaction by way of accommodation entry where the assessee has failed to prove the identity, creditworthiness of the parties and the genuineness of the transactions.

4. Aggrieved, the assessee was in appeal before the first appellate authority, who vide order dated 30.07.2021 dismissed the appeal filed by the assessee on the ground that the assessee has failed to discharge its initial onus casted upon it.

5. Aggrieved, the assessee is in appeal before us, challenging the order of the Ld. CIT(A).

6. The Ld. DR for the Revenue contended that the assessee has been non-compliant during the assessment proceeding as well as during the appellate proceedings and further even before the Tribunal inspite of various opportunities the assessee has failed to comply with the proceedings before all the authorities. The Ld. DR further contended that the assessee is habitually non-compliant for the purpose of dragging on the proceedings and since the assessee has not furnished any documentary evidences in support of its claim neither before the lower authorities nor before the Tribunal, the appeal of the assessee be dismissed. The Ld. DR relied on the order of the lower authorities.

7. Having heard the Ld. DR and perused the materials available on record, it is observed that the assessee company has started its operation in the previous year and had raised capital through issuance of shares at premium which were subscribed by the Director of the assessee company and M/s. Vijeta Trading Pvt. Ltd. which has subscribed to 1000 equity shares fully paid up at Rs.10/- each and 4,79,000 of partly paid up at Rs.4/-each. Further, the assessee company has brought in share premium on the above shares of Rs.1,91,60,000/- for which the Ld. AO during the assessment proceedings had sought for details. The assessee company had furnished the share valuation report of Milind Mehta & Co. where the valuation was arrived at the average value from DCF method, Comparable Based method and Straight Capitalization method and the three methods relied on "confirmed order book" of the assessee where the share valuation was based on the project order received by the company which is as follows:

Sr. No.	*Company Name*	*Order*	*Value of Order (Rs.Crore)*
1	*Elephant Trading Company Pvt. Ltd.*	*Equipment supply*	*5.00*
2	*Inditech Solutions Pvt. Ltd.*	*Equipment supply*	*2.50*
3	*S.R. Spirits Ltd.*	*Grain Based Distillery*	*99.00*
4	*Arch Agro Industries Pvt. Ltd.*	*Solvent Extraction Plant*	*42.78*
5	*Arch Pharmalabs Ltd.*	*Waste Management Systems*	*54.00*
7	*Goel Agrigreen Fields Pvt. Ltd.*	*Grain Based Distillery*	*141.27*

8. The Ld. AO sought for details pertaining to the said project where it was found that six out of 7 projects mentioned by the assessee had not commenced and the only project that took off was with that of Goel Agrigreen Fields Pvt. Ltd. which was under implementation and the same pertained to related parties of the assessee company. Since the assessee company has based the entire valuation on "confirmed projects" only two companies belonging to Arch group viz. Arch Pharmalabs Ltd. and Arch Agro Industries Ltd. were related to M/s. Vijeta Trading Pvt. Ltd. and these two companies operate from the same premises held by M/s. Vijeta Trading Pvt. Ltd. The Ld. AO further observed that the bank statement of M/s. Vijeta Trading Pvt. Ltd. revealed repeated circular debit, credit entries of two Arch group companies which had advanced interest free loans to M/s. Vijeta Trading Pvt. Ltd. which in turn has advanced money to the assessee company in the form of share application money. The assessee had failed to furnish any proof of project initiation which includes details of project report, placement of order, delivery of primary material etc. failing which the Ld. AO concluded that these projects specified by the assessee company are only to increase the valuation. The Ld. AO also observed that some of the companies are also operating from the same premises having common directors and having a share capital of Rs.1,00,000/- had invested around Rs.5,00,00,000/- in "Effluent treatment and management project". Further, as the assessee company has failed to substantiate its claim that the transaction is genuine by cogent documentary evidences, the Ld. AO made an addition towards the share capital and share premium as unexplained cash credit u/s 68 of the Act. Before the first appellate authority, the assessee has again failed to establish the identity and creditworthiness of the parties and the genuineness of the transactions with supporting documentary evidences in support of its claim. Before us inspite of several opportunities the assessee company neither appeared nor filed evidences to establish its claim. The assessee company has also failed to give any plausible explanation as to why it was non-compliant throughout the appellate proceedings. Further, we also observe that the assessee company has not filed any additional evidences before us to explain the nature of transactions and the status of the projects which the assessee has specified during the assessment proceedings. We are conscious of the fact that the provision clearly casts the primary onus upon the assessee to discharge its initial onus of proving the identity, creditworthiness of the parties and the genuineness of the transactions, which in the present case has not been explained to the satisfaction of the Ld. AO. In the absence of any such explanation and without supporting documentary evidences, we deem it fit to dismiss the grounds of appeal raised by the assessee by holding that there is no infirmity in the order of the Ld. CIT(A) and accordingly, the appeal filed by the assessee is hereby dismissed.

9. The findings given in this appeal i.e. ITA No.179/M/2021 will apply mutatis mutandis to **ITA No.180/M/2021** as well. Accordingly, this appeal filed by the assessee is also hereby dismissed.

<u>ITA No.181/M/2021</u>

10. The facts of this case are almost identical to the facts mentioned in the above appeals except for the fact that the impugned transaction is in the nature of interest free loan received by the assessee company under the head "Short Term Borrowing" from M/s. Lipid

System Engineers Pvt. Ltd. amounting to Rs.1,40,00,000/-. Pertinently, during the assessment proceedings the assessee company has filed the copy of balance sheet which was in the name of "Bran Engineering Pvt. Ltd." and not that of M/s. Lipid Systems Engineers Pvt. Ltd. and also without the audited financial statement of M/s. Lipid System Engineers Pvt. Ltd. which company is said to be under liquidation. Further, the assessee's contention that the creditor had assets worth Rs.8.05 crore was also not acceptable for the fact that the assessee company has failed to furnish cogent evidences to prove the identity, creditworthiness of the parties and the genuineness of the transactions to the satisfaction of the Ld. AO. The Ld. AO also observed that the assessee company had immediately transferred the said amount to the director of the company Mr. Mukul Kakar who was holding 56.10% share in the assessee company making it a mere circular transaction. Further, it is also observed that M/s. Lipid System Engineers Pvt. Ltd. has not filed its return of income since A.Y. 2011-12 and the address of the company is also not verifiable as the company was not in existence at the said address and summons u/s 131(1) of the Act could not be served. The Ld. AO made an addition on the impugned amount u/s 68 of the Act for the reason that the assessee company has failed to discharge its initial onus casted upon it in proving the identity, creditworthiness of the parties and the genuineness of the transactions. Before the first appellate authority, the assessee company has again failed to furnish documentary evidences in support of its claim. Before us, the assessee is again non-compliant and has not filed any documentary evidences in support of its claim. In the absence of any contrary evidences, we find no infirmity in the order of Ld. CIT(A) and hereby dismiss the appeal filed by the assessee.

11. In the result, the appeal filed by the assessee is hereby dismissed.

12. In the result, all the appeals filed by both the assessees are hereby dismissed.

Order pronounced in the open court on 29.01.2026

Sd/-	**Sd/-**
(VIKRAM SINGH YADAV)	**(KAVITHA RAJAGOPAL)**
ACCOUNTANT MEMBER	**JUDICIAL MEMBER**

Mumbai; Dated: 29.01.2026

* Kishore, Sr. P.S.

<u>Copy of the Order forwarded to</u>:

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

BY ORDER,

(Dy./Asstt.Registrar)
ITAT, Mumbai