

आयकर अपीलीय अधिकरण, जयपुर न्यायपीठ, जयपुर
IN THE INCOME TAX APPELLATE TRIBUNAL, JAIPUR BENCHES, "B" JAIPUR

डा० एस. सीतालक्ष्मी, न्यायिक सदस्य एवं श्री राठोड कमलेश जयन्तभाई, लेखा सदस्य के समक्ष
BEFORE: DR. S. SEETHALAKSHMI, JM & SHRI RATHOD KAMLESH JAYANTBHAI,

आयकर अपील सं./ITA No. 1531/JP/2024
निर्धारण वर्ष/Assessment Year : 2022-23

Oliria Foods and Beverages Limited, A-130(H) First Floor, Road No. 9D VKI Area, Jaipur	बनाम Vs.	Income Tax Officer, Ward 1(2), Jaipur
स्थायी लेखा सं./जीआईआर सं./PAN/GIR No.: AACC09015G		
अपीलार्थी/ Appellant		प्रत्यर्थी/ Respondent

निर्धारिती की ओर से/ Assessee by : Sh. S. L. Poddar, Adv. &
Sh. Harsh Poddar, Adv.
राजस्व की ओर से/ Revenue by : Sh. P. P. Meena, CIT

सुनवाई की तारीख/ Date of Hearing : 24/02/2025
उदघोषणा की तारीख/ Date of Pronouncement: 17/04/2025

आदेश/ ORDER

PER: RATHOD KAMLESH JAYANTBHAI, AM

On being aggrieved by the order of the learned National Faceless Appeal Centre, Delhi [for short CIT(A)] dated 17/12/2024 the assessee-appellant preferred the present appeal. The dispute relates to the assessment year 2022-23. The said order of the Id. CIT(A) arises because the assessee has challenged the assessment order dated 16.03.2024 passed under section 143(3) r.w.s 144B of the Income Tax Act, [for short "Act"] which was passed by the National e-Assessment Unit [for short AO].

2. Succinctly, the fact as culled out from the records is that the appellant - assessee M/s Oliria Foods and Beverages, (PAN- AACCO9015G) filed its return of income for AY 2022-23 as required u/s 139(1) of the I.T. Act, 1961 on 04.10.2022 and declared its income at Rs. 45,40,270/-. The Assessee, M/s Oliria Foods and Beverages, (PAN- AACCO9015G) is engaged in the business of manufacturing and processing of food items. The return of income filed by the assessee was selected for scrutiny through CASS. Statutory notices as required were issued to the assessee and was served upon. The reason for the selection of the case was to examine the following issue:

1. High Creditors/liabilities
2. Unsecured Loans
3. Expenditure of personal nature

2.1 On selection of case, a notice u/s 143(2) of the I.T. Act, 1961 was issued on 01.06.2023 which was duly served on the assessee and hearing was fixed on 16.06.2023. The assessee did not respond to the said notice. Notice u/s 142(1) of the I.T. Act, 1961 dated 28.09.2023 was issued to the assessee asking it to furnish the details called for in respect of issue flagged with the case. The notice was duly served upon the assessee. The assessee did not respond to the notice. Since the assessee failed to respond to the said notice, a letter dated 19.10.2023 was issued to the

assessee requesting it to comply with the notice issued u/s 142(1) of the Act. The assessee failed to respond to the said letter. Since the assessee failed to respond to the letter, another opportunity was given and notice u/s 142(1) of the I.T. Act, 1961 was issued to the assessee on 26.10.2023 asking it to furnish the details called for on or before 02.11.2023. However, the assessee did not file its reply. For the sake of natural justice, as per provisions of section 144B(1)(ix) of the IT Act, one more opportunity was given to the assessee to show cause as to why the assessment should not be completed to the best of its judgment invoking the provisions under section 144 r.w.s. 147 of the Act. Accordingly, a Show Cause Notice u/s 144 r.w.s 147 of the Act was issued on 21.12.2023 asking to submit response on or before 28.12.2023. The assessee responded and sought adjournment. The assessee filed its reply on 06.01.2024 and furnished copy of ITR along with computation of income, Audit Report and details of shareholders etc. Centralized communication was also sent to the assessee on 18.01.2024 to which the assessee replied on 20.01.2024 and furnished details of unsecured loan. Another notice 142(1) of the I.T. Act was issued to the assessee on 01.02.2024 requesting the assessee to furnish the details of trade creditors/liabilities. The assessee sought adjournment which was granted, and the assessee was requested to

furnish the details on or before 15.02.2024. The assessee furnished the details of sundry creditors on 15.02.2024. After examining all the submissions of the assessee and the information available on record, a detailed Show Cause Notice [SCN] was issued to the assessee on 21.02.2024 proposing the additions and requiring compliance on or before 28.02.2024. The assessee sought adjournment and filed reply on 04.03.2024 and furnished GST reconciliation and confirmation from the parties from whom unsecured loan was availed by the assessee.

2.2 On examination of details gathered / available on records and the return of income filed by the assessee for the AY 2022-23, Id. AO noticed that during the year under consideration, the assessee has declared sales turnover to the tune of Rs. 19,85,47,600/- whereas as per 26AS details sales turnover declared by the assessee to the GST department was Rs. 19,90,07,490/-. Hence there is a difference of Rs. 4,59,890/- between the turnover declared by the assessee in its ROI filed with the department and turnover declared by the assessee in its GSTR-3B return filed with GST department. The assessee did not provide any justification as to why there was a difference in turnover declared by it in Income tax return and GST return. Thus, the assessee was asked to reconcile and explain the

difference by issue of show cause notice. In reply to the Show Cause Notice dated 21.02.2024, the assessee submitted that the difference was due to sale of fixed assets which was shown in books under the relevant head of 'Fixed Assets' in Balance sheet and thereby reconciled that turnover figure. Ld. AO noted that the assessee did not furnish any supporting documents in support of its claim. In the absence of any conclusive documentary evidence and since the assessee has already claimed the expenditure incurred during the year, the difference in turnover, i.e. Rs. 4,59,890/- was added back to the returned income of the assessee filed for the AY 2022-23.

2.3 Ld. AO noted that during the year under consideration, the assessee company has availed fresh unsecured loan of Rs. 10,24,75,690/- from its directors or shareholders. In response to the notice u/s 142(1) of the I.T. Act, the assessee furnished ledger, copy of ITR and bank account statement in confirmation of loan availed. The assessee vide its response to SCN also, the assessee furnished only ledger and copy of ITR of some of the lenders from whom unsecured loan was availed. On examination of the bank account statement of the lenders, Id. AO noticed that lending of unsecured loan to the assessee is done in an unusual manner. An amount

of exact value or near to the value is deposited in the lender's bank account and immediately transferred to the bank account of the assessee. All other transactions in the bank account of the lender are of very small monetary value. All the lenders have filed ITR in the range of Rs. 3,00,000/- to Rs. 4,00,000/-. ITR and bank account statement of some of the lenders submitted by the assessee were reproduced in the order of the assessment vide page 6 to 28. Based on that papers so filed he noted that the genuineness of the transaction and creditworthiness of the lenders are not established. Ld. AO to test check those loan creditor a letter u/s. 133(6) of the Act was issued to 8 persons, asking from them the ledger of the assessee in their books of account, bank statement along with other details were sought and the compliance was to be made by 10.02.2024. In response to the notice issued u/s 133(6) of the Act, replies have been received from all the above 8 persons. The replies of the above persons and unsecured loan confirmation details submitted by the assessee were examined and taken on record by Id. AO. Upon examination of those details in case of bank statement submitted by Hiralbhai Maheshchandra Rangrej, Id. AO noted that an amount of Rs. 10,00,000/- was credited on 19.05.2021 and on 20.05.2021, the amount was transferred to the assessee. On examination of statement of bank account, it was also

noticed that the opening balance of the said account as on 01.04.2021 was Rs. 17,297/- and closing balance of the said account as on 31.03.2022 was Rs. 8,669/-. Apart from this transaction, all other transactions are of very small monetary value. On careful perusal of the statement of bank account of Mr. Hiralbhai Maheshchandra Rangrej, it appears that Mr. Hiralbhai Maheshchandra Rangrej is an accommodation provider of the unsecured loan as the credit worthiness of the party could not be established. Receiving an amount of Rs. 10,00,000/- on 19.05.2021 and transferring the same to the assessee as an unsecured loan on 20.05.2021 indicates that Mr. Hiralbhai Maheshchandra Rangrej has been acted as an accommodation entry operator / agent. Whereas in the case of bank account statement submitted by Mansukhbhai Dalsukhbhai Parmar also, the same pattern is noticed. On 22.04.2021, an amount of Rs.5,73,795/- was credited and on 23.04.2021, an amount of Rs. 6,00,000/- was transferred to the assessee. Again on 29.06.2021, an amount of Rs. 10,00,000/- was credited and on 30.06.2021, the same amount was transferred to the assessee. On careful perusal of the statement of bank account of Mr. Mansukhbhai Dalsukhbhai Parmar, it appears that Mr. Mansukhbhai Dalsukhbhai Parmar is an accommodation entry provider of the unsecured loan as the credit worthiness of the party could not be

established. Receiving an amount of Rs.5,73,795/- on 22.04.2021 & Rs. 10,00,000/- on 29.06.2021 and transferring the same to the assessee as an unsecured loan on 23.04.2021 & 30.06.2021 respectively indicates that Mr. Mansukhbhai Dalsukhbhai Parmar has been acted as an accommodation entry operator/agent. In the bank account submitted by Mr. Natvarbhai Varsanbhai Bariya (HUF), it was noticed that on 21.05.2021, an amount of Rs. 7,00,000/- was credited and immediately after this, Rs. 7,00,000/- was transferred to the assessee on 24.05.2021. There is no other transaction in this account except a few small amount transactions. Thus, this is not a normal business transaction. This is nothing but an accommodation entry in the form of unsecured loan. The same pattern is also noticed in the bank account of Mr. Nareshkumar Shankarlal Solanki wherein an amount of Rs. 6,00,000/- and Rs. 4,00,000/- was credited on 24.05.2024 and Rs. 10,00,000/- was transferred to the assessee on the same day. In case of Mr. Shivrambhai Adabhai Chaudhari also, an amount of Rs. 9,00,000/- was credited in his bank account on 25.05.2021 and on the same day, amount of Rs. 9,00,041.80 was transferred to the assessee. Further, bank account statement in respect of Mr. Abhishek Pravinbhai Prajapati and Smt. Shardaben Dilipbhai Solanki was not furnished by the assessee. On examination of the bank statement of Smt. Manjulaben Dineshbhai Maheta,

it was noticed that Rs. 6,99,993/- was credited on 21.05.2021 and on 24.05.2021, an amount of Rs. 7,00,000/- was transferred to the assessee. Except this transaction, all other transactions are of very small monetary value. In the case of Smt. Mamtaben Pravinbhai Prajapati also, it was noticed that Rs. 4,80,000/- was credited in her bank account on 17.04.2021 and the same amount was transferred to the assessee on 20.04.2021. The same pattern is also noticed in the bank account of Mr. Rajeshkumar Dhulalal Nai. On 24.05.2021, an amount of Rs. 8,00,000/- was credited in his account and on the same day, an amount of Rs. 8,00,011.80 was transferred to the assessee. All other transactions are of very small amount. On examination of the bank statement of Shri Ramanbhai Chandubhai Parmar, it was noticed that Rs. 4,93,000/- was credited on 28.06.2021 and on 29.06.2021, amount of Rs. 4,90,000/- were transferred to the assessee. Similarly, an amount of Rs. 4,07,000/- was credited in the account on 30.06.2021 and amount of Rs. 4,10,000/- was transferred to the assessee on 01.07.2021. On examination of the bank account of Kajal Balubhai Prajapati also, the same pattern is noticed. The bank statement submitted by Kajal Balubhai Prajapati was reproduced in the assessment order. Similarly, the bank statement submitted by Shailesh Rasiklal Sanghvi (HUF) was examined and it was noticed that Rs. 14,28,897/- was

credited on 27.05.2021 and Rs. 9,00,011/- was transferred to the assessee on 28.05.2021. On 31.05.2021 Rs. 2,21,000/- was credited in his account and on the same day Rs. 7,50,011/- was transferred to the assessee. No other significant transaction is noticed in the said bank account. Ld. AO thus noted that all the lenders have acted as accommodation entry providers as the creditworthiness of the lenders and genuineness of unsecured loans could not be ascertained. The transactions are not normal business transactions. The assessee also did not explain the nature of these unsecured loans nor furnished complete documents. Therefore, it is reasonably concluded that the unsecured loans to the tune of Rs. 10,24,75,690/- are nothing but accommodation entries. Having observed so Ld. AO issued a show cause notice dated 21.02.2024 and the assessee furnished the reply on 04.03.2024, Ld. AO considered the reply of the assessee and found that the same were not acceptable based on the reasons as discussed herein above. Hence, he holds that the transaction of accommodation entry in the form of unsecured loan to the tune of Rs. 10,24,75,690/- during the A.Y. 2022-23 and was added as the income of the assessee u/s. 68 of the Act.

3. Feeling aggrieved from that order of assessment, assessee preferred an appeal before the Id. CIT(A) challenging the finding of the Id. AO. The appeal of the assessee was decided by Id. CIT(A) by observing as under :

“Decision :I have carefully considered the facts of the case, above submission of the appellant as well as gone through the observation and findings of the AO 's assessment order. I find the AO on perusal of submission of the appellant, in course of scrutiny assessment proceedings , is of opinion that all the lenders have acted as accommodation entry provider as the creditworthiness of the lenders and genuineness of unsecured loans could not be ascertained and consequently he (the AO) draws inferences that the transactions are not normal business transactions since the assessee did not explain the nature of these unsecured loans, nor furnished complete documents. On the other hand it is observed from the submission of the appellant that despite providing all the relevant documents the AO has made addition invoking section 68 illegally, unjustifiably based on suspicion, surmises, guesswork and conjectures.

On careful observation of return of income vis-a vis tax audit report it is observed that unsecured Loan of Rs. 10,24,75,690/- was taken from the various (120 Numbers) shareholders for "0" rate of interest for which the shareholders details and loan details as shown in the return of income (ROI) is reproduced as under:

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SCHEDULE SH-1 SHAREHOLDING OF UNLISTED COMPANY (other than a company that is registered under section 8 of the Companies Act, 2013 (or section 25 of the Companies Act, 1956) or a company limited by guarantee under section 3(2) of Companies Act, 2013 or a start-up for which Schedule SH-2 is to be filled up)

If you are an unlisted company, please furnish the following details:

Details of shareholding at the end of the previous year

Name of the shareholder	Residential status in India	Type of share	PAN/Aadhaar No.	Date of allotment	Number of shares held	Face value per share	Issue Price per share	Amount received
VARDHMAN JAIN T LARIA	Resident	Equity Shares	ACBPT6566M	2021-03-31	12,46,154	10	10	1,24,61,540
ARHANT TLARIA	Resident	Equity Shares	AXLPT6560B	2021-03-31	12,47,745	10	10	1,24,77,450
DARSHANBEN H RALBHAI RANDREJI	Resident	Equity Shares	BVPR6603N	2021-04-10	1	10	10	10
DEEP SANDHEEP S HAH	Resident	Equity Shares	KFCPS0367Q	2021-04-10	1	10	10	10
DEEPI JIVANBHAI H AVAK	Resident	Equity Shares	AXFTN5100Q	2021-04-10	1	10	10	10
DIMPALEEN CHINT ANKUMAR SURATI	Resident	Equity Shares	BFSPS7019K	2021-04-10	1	10	10	10
JUHIFAR CHIRAG PANDHOLI	Resident	Equity Shares	ARMPQ9804K	2021-04-10	1	10	10	10
MAMATABEN PRAVINBHAI PRALAPATI	Resident	Equity Shares	BUVPP6253J	2021-04-10	1	10	10	10
MANSUKHEHAI D ALSUKHEHAI PARMAR	Resident	Equity Shares	BVMPP2665J	2021-04-10	1	10	10	10
PRAVINBHAI DHIRUBHAI PRALAPATI	Resident	Equity Shares	BUVPP6255Q	2021-04-10	1	10	10	10
RINKU IMITESH KUMAR SHAH	Resident	Equity Shares	DXMPS8044E	2021-04-10	1	10	10	10
URVASHIBEN JAYESHBHAI SHANDIARI	Resident	Equity Shares	CKXFB070Q	2021-04-10	1	10	10	10
YASHWANT MAQANBHAI SAYALIYA	Resident	Equity Shares	GKSP81166C	2021-04-10	1	10	10	10
SHARATKUMAR D EVRAMEHAI PURCHIT	Resident	Equity Shares	BLJPP4150M	2021-04-23	1	10	10	10
ASHABEN SUNILBHAI RATHOD	Resident	Equity Shares	AMEPR5406P	2021-04-23	1	10	10	10
GELABHAI KARSHANBHAI KATESHIYA	Resident	Equity Shares	IUVPR0177D	2021-04-23	1	10	10	10
GITABEN RAJESHKUMAR DOBELIYA	Resident	Equity Shares	GDTFD2482B	2021-04-23	1	10	10	10
CHETANKUMAR N RANJANLAL MISTRY	Resident	Equity Shares	ACRPM2500G	2021-04-23	1	10	10	10
DAMNIBEN VASAVA	Resident	Equity Shares	BWZPV8350C	2021-04-23	1	10	10	10
KALABEN HARESHBHAI PRALAPATI	Resident	Equity Shares	FEZPP5985R	2021-04-23	1	10	10	10
NITESHBHAI RAMANBHAI GAMI	Resident	Equity Shares	AZEPQ3375L	2021-04-23	1	10	10	10
PRAKASHBHAI KHIMUSHAI PATEL	Resident	Equity Shares	ASKPP0860J	2021-04-23	1	10	10	10
VIJAYKUMAR CHIMANLAL VIRVADYANI	Resident	Equity Shares	AAHVD0115W	2021-04-23	1	10	10	10
VIMALKUMAR PARMESHBHAI CHAUDHARI	Resident	Equity Shares	AZJPC1191R	2021-04-23	1	10	10	10
YASH PRAKASHBHAI PATEL	Resident	Equity Shares	DGHPY2566L	2021-04-23	1	10	10	10
GOVIND RAJIBHAI CHOTALIYA	Resident	Equity Shares	ASJPC5506Q	2021-04-23	1	10	10	10
HANSABEN NAHENDRABHAI SANGRAM	Resident	Equity Shares	CBFPS8000E	2021-04-23	1	10	10	10

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SNEHABEN PAREB HKUMAR SHAH	Resident	Equity Shares	AXNPS2161G	2021-04-23	1	10	10	10
ALKABEN SANJAY HAJ RATHOD	Resident	Equity Shares	DWNFR4233L	2021-04-23	1	10	10	10
BABUBHAI NANDU BHAI BARIJA	Resident	Equity Shares	BKFR92503R	2021-04-23	1	10	10	10
BHAVANABEN JA YESHBHAI KAKLO TAR	Resident	Equity Shares	FJZPK1467C	2021-04-23	1	10	10	10
DHARMESH GORG HANSRAJ RAVAL	Resident	Equity Shares	SYBFR2723F	2021-04-23	1	10	10	10
HIRALKUMAR MAH ESHCHANDRA RA NOREJI	Resident	Equity Shares	AHCPRE149D	2021-04-23	1	10	10	10
LALITHA RAMAB HAJ BARIYA	Resident	Equity Shares	AVXPB2712J	2021-04-23	1	10	10	10
MITESH SHAH HUF	Resident	Equity Shares	AAQHM832D	2021-04-23	1	10	10	10
RAMESHBHAI RAT ASHAI VAJR	Resident	Equity Shares	AWRPN295N	2021-04-23	1	10	10	10
TEJASHAI RATAMB HAJ RAJPUT	Resident	Equity Shares	BQNRN3506A	2021-04-23	1	10	10	10
JAGRUTIBEN DHO DIYA	Resident	Equity Shares	QWXP06177Q	2021-04-23	1	10	10	10
JINAL RAHUL RAJ PUT	Resident	Equity Shares	DZRRR8067F	2021-04-23	1	10	10	10
KAJAL BALUBHAI P RAJAPATI	Resident	Equity Shares	FEEPP2565C	2021-04-23	1	10	10	10
PRINKESSHIBHAI RA KUTIBHAI GAWTI	Resident	Equity Shares	BW9PG5386D	2021-04-23	1	10	10	10
SATISHBHAI DASH RATHEBHAI BARIYA HUF	Resident	Equity Shares	AAUHS5141L	2021-04-23	1	10	10	10
VARSHABEN RANU TEBHAI BARIYA	Resident	Equity Shares	AVQPB5967N	2021-04-23	1	10	10	10
DAYABEN PRAKAS HBHAI PATEL	Resident	Equity Shares	QGNFR560M	2021-04-23	1	10	10	10
DIMPAL BHARADV BHAI SAGARAKA	Resident	Equity Shares	KGQPB8163H	2021-04-23	1	10	10	10
HARSHBHAI SOMA BHAI PARMAR	Resident	Equity Shares	BWJPP986F	2021-04-23	1	10	10	10
NARESHKUMAR S HANNARLAL SOLA NKI	Resident	Equity Shares	LZTPG1901F	2021-04-23	1	10	10	10
RAHULSHAI RAME SBHAI CHAUDH ARI	Resident	Equity Shares	BDRPC3211Q	2021-04-23	1	10	10	10
RAKESHBHAI BHU RAHBHAI BARIYA H UF	Resident	Equity Shares	AAMHR2561K	2021-04-23	1	10	10	10
SUDHIRKUMAR HA RENDRASHAI WOOD	Resident	Equity Shares	AAZG6512N	2021-04-23	1	10	10	10
VARIYA KANTABEN VIKRAMBHAI	Resident	Equity Shares	BHXPV3565L	2021-04-23	1	10	10	10
VIDHUR CHHAGAN BHAI PATEL	Resident	Equity Shares	CHEPP4757Q	2021-04-23	1	10	10	10
VIHABHAI SAGABH AI LUSAR	Resident	Equity Shares	BHJPL3821K	2021-04-23	1	10	10	10
KALPANA SHALES HRATHOD	Resident	Equity Shares	DYNFR6566E	2021-04-23	1	10	10	10
MANJULABEN DINE SHEBHAI MAHETA	Resident	Equity Shares	DYNFM3490B	2021-04-23	1	10	10	10
ALPABEN MANSHO HAJ NARAYAT	Resident	Equity Shares	BRXPN7019Q	2021-04-23	1	10	10	10
ANIL HRABHAI CH AUDHARI	Resident	Equity Shares	AXWPC8431A	2021-04-23	1	10	10	10
BALUBHAI JIVANSH AI NARNGARA	Resident	Equity Shares	BDOPN7597K	2021-04-23	1	10	10	10
BHARATIBEN MAY URSHAI PATEL	Resident	Equity Shares	CBTFP5563B	2021-04-23	1	10	10	10

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SIKRAM TANUBHA I BIST	Resident	Equity Shares	CADP94220L	2021-04-23	1	10	10	10
AJAY ISHWARBHA I GAJEERA	Resident	Equity Shares	DKJPR310N	2021-04-23	1	10	10	10
SANOM MANOJH AI PATEL HUF	Resident	Equity Shares	AAJHB8504P	2021-04-23	1	10	10	10
JASHVANT ISHWAR SHAI BARIYA HUF	Resident	Equity Shares	AAGHB8500O	2021-04-23	1	10	10	10
KALPESH MOHANB HAI PRAJAPATI	Resident	Equity Shares	ARTPF6804K	2021-04-23	1	10	10	10
NATVARSHAI VAR SANKHAI BARIYA HUF	Resident	Equity Shares	AAFM6554E	2021-04-23	1	10	10	10
RAJENDRA KARSH ANSHAI RATHVA	Resident	Equity Shares	DSDPR8599L	2021-04-23	1	10	10	10
RAMLABEN JAYAD EVKUMAR JOSHI	Resident	Equity Shares	AEPB8552K	2021-04-23	1	10	10	10
SHIVRAMSHAI ADA SHAI CHAUDHARI	Resident	Equity Shares	BFZPC8152O	2021-04-23	1	10	10	10
SUREKHABEN AMR ITBHAI LUHAR	Resident	Equity Shares	AQPL7490D	2021-04-23	1	10	10	10
SHAVNABEN PRAV NBHAI YAGHANI	Resident	Equity Shares	BBOPV3085G	2021-04-23	1	10	10	10
DENSH RAJESHCH MAR PATEL	Resident	Equity Shares	EUJPF6501N	2021-04-23	1	10	10	10
DIYYESH KANCHA NLAL KANA	Resident	Equity Shares	CKZPK1808B	2021-04-23	1	10	10	10
SHUMKA RAJESH SHAI PRAJAPATI	Resident	Equity Shares	EXBPP7765M	2021-04-23	1	10	10	10
PARSH CHAMANL AL SHAI HUF	Resident	Equity Shares	AAHPT040E	2021-04-23	1	10	10	10
HARMBEN MAHE NDRAKUMAR BAN GHVI	Resident	Equity Shares	F8PP69778D	2021-04-23	1	10	10	10
ARJANSHAI AANDA SHAI TUVAR	Resident	Equity Shares	ARQPT6730P	2021-04-23	1	10	10	10
ARUNABEN LALTB HAI SONI	Resident	Equity Shares	LZBPS8630F	2021-04-23	1	10	10	10
JAYSHIBEN PARS OTTAMBHAI GAMIT	Resident	Equity Shares	BKPPG4075C	2021-04-23	1	10	10	10
KANTABEN DHAG ANSHAI JOSHI	Resident	Equity Shares	AVLPU1483F	2021-04-23	1	10	10	10
HETALBEN HITESH SHAI RAJPUT	Resident	Equity Shares	DZPPR8068L	2021-04-23	1	10	10	10
JAGRUTIBEN DNE SHEHAI BARIYA	Resident	Equity Shares	BNPBG124M	2021-04-23	1	10	10	10
KHUSHUBEN PRA KASHBHAI SHUVA	Resident	Equity Shares	CJPPB0417C	2021-04-23	1	10	10	10
MAHENDRABHAI SHIKHALAL SANG HVI	Resident	Equity Shares	C8FP69929	2021-04-23	1	10	10	10
HIRABEN ASHOKB HAI DESAI	Resident	Equity Shares	CLRPD3019N	2021-04-23	1	10	10	10
JAYESHKUMAR B ABULAL KORADY A HUF	Resident	Equity Shares	AAHL07953	2021-04-23	1	10	10	10
RAMESHBHAI VITT HALBHAI SATANI	Resident	Equity Shares	BNHPS2344N	2021-04-23	1	10	10	10
RASILABEN MADG NBHAI SAKUJA	Resident	Equity Shares	DXQPB7857B	2021-04-23	1	10	10	10
SHALESH BASIKLA L SHAIKHWI HUF	Resident	Equity Shares	AAZH87552O	2021-04-23	1	10	10	10
ASMITABEN RAJES HBHAI KAKLOTAR	Resident	Equity Shares	IBMPG2802P	2021-04-23	1	10	10	10
BIJAL DARGHITSH AI SHAM	Resident	Equity Shares	BSLPS8364J	2021-04-23	1	10	10	10
DILIPSHAI KARSH ANSHAI BARIYA	Resident	Equity Shares	CKZPK1808B	2021-04-23	1	10	10	10
DIMPALBEN RAJES HKUMAR NAI	Resident	Equity Shares	BBQPN8719O	2021-04-23	1	10	10	10

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SHAGYKUMAR MA HEENRASHAI SAN CHAVI	Resident	Equity Shares	CRFP0891F	2021-04-23	1	50	50	50
DIPKABEN KALPE SHEHA BHARUCH WALA	Resident	Equity Shares	BMMPS2788K	2021-04-23	1	50	50	50
JAYANTIBHAI PRA JAPATI	Resident	Equity Shares	DUPP04751M	2021-04-23	1	50	50	50
KALPESH GAVANL AL BHARUCHWALA	Resident	Equity Shares	BBMPS1908Q	2021-04-23	1	50	50	50
MAHENDRABHAI B HRIHALAL SANKH VI HUF	Resident	Equity Shares	AAHMS887J	2021-04-23	1	50	50	50
MANOJ KANTIBHAI PURCHIT	Resident	Equity Shares	DAWTF9622L	2021-04-23	1	50	50	50
NILESHBHAI PARR AM JOSHI	Resident	Equity Shares	ARQP0401R	2021-04-23	1	50	50	50
RAJESHKUMAR CH LILAL NAI	Resident	Equity Shares	BBEP0891A	2021-04-23	1	50	50	50
SHAMSHA NARES HEHA PARIJA	Resident	Equity Shares	CUPT0012N	2021-04-23	1	50	50	50
ROHITKUMAR KAN TIBHAI PURCHIT	Resident	Equity Shares	CVLPS0209	2021-04-23	1	50	50	50
SHARMLABEN PR AKASHBHAI MEH TA	Resident	Equity Shares	CIFM0912A	2021-04-23	1	50	50	50
RAJESHBHAI CHA MANBHAI BRAHM AN	Resident	Equity Shares	BPPE0956R	2021-04-23	1	50	50	50
ASHISHK PRAVIN BHAI PRALADATI	Resident	Equity Shares	SUWPF0290K	2021-04-23	1	50	50	50
ARVINDKUMAR TR IBHUVANBHAI SAN CHAVI	Resident	Equity Shares	AFOPS0835Q	2021-04-23	1	50	50	50
CHETANABEN NA VINCHANDRA PAR IKH	Resident	Equity Shares	ATWPF0200	2021-04-23	1	50	50	50
DAKABEN VASTUP AL SHAH	Resident	Equity Shares	BOKPS0292P	2021-04-23	1	50	50	50
DINESHBHAI RAMA NEHA BARIYA	Resident	Equity Shares	ARDPS007E	2021-04-23	1	50	50	50
DINESHBHAI YELA BHAI BAVARIYA	Resident	Equity Shares	BPBP0872J	2021-04-23	1	50	50	50
HARSHABEN GHAN SHYAMBHAI PATEL	Resident	Equity Shares	AAMP0282Q	2021-04-23	1	50	50	50
MACHIBEN VIJAY BHAI BARIYA	Resident	Equity Shares	BKTFP0485J	2021-04-23	1	50	50	50
NAVINCHANDRA A MTHAL PARIKH	Resident	Equity Shares	AABPF0609H	2021-04-23	1	50	50	50
NILESHBHAI SHAN KAREHA BARIYA	Resident	Equity Shares	BFNPF0208N	2021-04-23	1	50	50	50
KARANBHAI KANTI BHAI PATEL	Resident	Equity Shares	DXNPS115C	2021-04-23	1	50	50	50
PARESHBHAI MAN HARSHAI PARMAR HUF	Resident	Equity Shares	AAHP0408C	2021-04-23	1	50	50	50
RAJESHKUMAR RA TUJI BHOOLA	Resident	Equity Shares	BTNPS1203A	2021-04-23	1	50	50	50
RAMANBHAI CHAN DUSHAI PARMAR	Resident	Equity Shares	BMMP0268P	2021-04-23	1	50	50	50
SHARDABEN DILIP BHAI SOLANKI	Resident	Equity Shares	DXXPS0512A	2021-04-23	1	50	50	50
SHEETALSEN SON BSEHA PATEL	Resident	Equity Shares	AKJPS340F	2021-04-23	1	50	50	50
SURESHABEN AMR ATBHAI LLHAR	Resident	Equity Shares	AJZPL740G	2021-04-23	1	50	50	50
URENDRABHAI SO MADHAI PARMAR	Resident	Equity Shares	BWHP0874BE	2021-04-23	1	50	50	50
JAYESHBHAI MAN HARSHAI BHANDA RI HUF	Resident	Equity Shares	AAHLN137D	2021-04-23	1	50	50	50

Particulars of asset	Others	Quantity	Cost of acquisition	Date of acquisition	Purpose of use (dropdown to be provided)			
J Details of liabilities								
Details of loans, deposits and advances taken from a person other than financial institution								
Name of the person	PAN	Opening Balance	Amount received	Amount paid	Interest credited, if any	Closing balance	Rate of interest (%)	
ASHESHK PRAV EENBHAI PRAJAP ATI	BLVPP8 280K	0	4,00,000	0	0	4,00,000	0	
AJAY ISHWAR BH AI GAJERA	DKGPC8 310N	0	12,00,000	0	0	12,00,000	0	
ALKABEN SANJAY BHAIRATHOD	DWNP8 4233L	0	8,00,000	0	0	8,00,000	0	
ALPABEN MAHESH BHAIRAMAVAT	BRXPND 0180	0	10,00,000	0	0	10,00,000	0	
ANIL HIRABHAI CH AUCHARI	AXWPCS 431A	0	8,00,000	0	0	8,00,000	0	

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ARJANSHAI AAND ASHAI TUVAR	AROPT8 730P	0	8,50,000	0	0	8,50,000	0
ARUNABEN LALIT BHAI SONI	LZBP99 830P	0	7,00,000	0	0	7,00,000	0
ARVINDSHAI TRIB HIVANSHAI SAN DHAVI	AFOP50 835Q	0	10,00,000	0	0	10,00,000	0
ASHABEN RATHO D	AVPEP5 406P	0	5,00,000	0	0	5,00,000	0
ASMITABEN RAJ ESHBHA KAKLO RTA	IBMPK2 802P	0	6,00,000	0	0	6,00,000	0
BAGUBHAI NANDU BHAI BARIJA	BKOP52 503R	0	15,60,000	0	0	15,60,000	0
BALUBHAI JIVAN HAI NARIGARA	BKOPN7 507X	0	8,00,000	0	0	8,00,000	0
BANIM MANOJH AL PATEL HUF	AAJH88 524P	0	8,00,000	0	0	8,00,000	0
BHAGYA MAHEND RA BANGHAY	CBPFP3 901P	0	14,00,000	0	0	14,00,000	0
BHARATBHAI DE VRAMBHAI PURD HIT	BLJPH4 50M	0	8,00,000	0	0	8,00,000	0
BHARATIBEN MAY URBHAI PATEL	CBTPP5 503S	0	5,00,000	0	0	5,00,000	0
BHAVNABEN JAY ESHBHA KAKLO TAR	FJXPK1 407C	0	5,00,000	0	0	5,00,000	0
BHAVNABEN PRA VINSHAI VADHANE	BEOPV3 785G	0	8,00,000	0	0	8,00,000	0
BRUMIKA PRAJA PATEL	EJSPY7 786M	0	8,00,000	0	0	8,00,000	0
BJAL DASHRATH BHAI SHAH	BSUP50 354J	0	10,00,000	0	0	10,00,000	0
BIKRAM TANNIBH AI BIST	CADP84 220L	0	6,00,000	0	0	6,00,000	0
CHETANA NAVINC HANDRA PARIKH	ATYPP2 429Q	0	6,26,150	0	0	6,26,150	0
CHETANKUMAR NIBANJANLAL MI STRY	ACRPM2 500G	0	5,00,000	0	0	5,00,000	0
DAMNIBEN RAJUL AL VASAVA	BMDPV8 350C	0	14,00,000	0	0	14,00,000	0
DARSHANABEN HIRALBHAI RANG REJ	BVFP88 63N	0	10,00,000	0	0	10,00,000	0
DAXABEN VASU PAL SHAH	BCHP86 232P	0	7,00,000	0	0	7,00,000	0
DAYABEN PRAKAS HBHAI PATEL	CONPP8 520M	0	8,52,800	0	0	8,52,800	0
DEEP BANDEEP SHAH	KFDP80 387Q	0	8,00,000	0	0	8,00,000	0
DENISH RAJKUMA R PATEL	ELUPP8 01H	0	6,00,000	0	0	6,00,000	0
DHARMESH GORD HANSHAI RAVAL	BYSPK2 720P	0	9,00,000	0	0	9,00,000	0
DIL CORPORATIO N - SURAT	AVOP82 718N	0	18,00,000	0	0	18,00,000	0
DILIP JIVANSHAI NAYAK	AXFPK5 100Q	0	7,00,000	0	0	7,00,000	0
DIMPALBEN RAJE SHAJIMARJANI	BKOPV6 719Q	0	8,00,000	0	0	8,00,000	0
DIMPLE BHARGAV BHAI SAGARAJA	RCOP86 163H	0	10,00,000	0	0	10,00,000	0
DIMPLEBEN CHIN TAKUMAR	EFPP87 213K	0	5,00,000	0	0	5,00,000	0
DINESHBHAI RAM ESHBHA BARIYA	AROP84 007E	0	9,80,000	0	0	9,80,000	0
DINESHBHAI VELA BHAI BAHARIYA	BMP84 872J	0	9,11,500	0	0	9,11,500	0

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DEPKABEN KALPE SHIBHA BHARUC HWALA	EMMPB2 758K	0	5,00,000	0	0	5,00,000	0
DIVYESH K. KANI YA	CAZPK1 808B	0	5,00,000	0	0	5,00,000	0
GELABHA KRAB HANBHA KATES HYA	ILVPK01 77D	0	10,50,500	0	0	10,50,500	0
GITABEN RAJESH KUMAR DUBEIYA	CSTPD2 452B	0	5,00,000	0	0	5,00,000	0
GOVINDHA RAVI JETHAI	ASJPK5 538C	0	9,00,000	0	0	9,00,000	0
HANSHABEN MAH ENDRABHA SHI NDHAI	CSPPB9 940E	0	9,00,000	0	0	9,00,000	0
HARISH SOMABHA I PARMAR - SURAT	EMMPB3 866F	0	7,50,000	0	0	7,50,000	0
HARMBEN MAHE NDRAKUMAR BAN GHI	FSPFB9 779D	0	9,00,000	0	0	9,00,000	0
HARSHABEN CH ANSHYAMBHA P ATEL	AAAMP2 829G	0	9,90,000	0	0	9,90,000	0
HETALBEN HITES HBHA RAIPUT	DZPPB8 058L	0	7,00,000	0	0	7,00,000	0
HIRABEN ASHOK HA DESA	CLRND3 012N	0	4,50,000	0	0	4,50,000	0
HIRAL MAHESHCH ANDRA BANGREJ	AHCPR5 149Q	0	10,00,000	0	0	10,00,000	0
JAGRUBEN BHA VINHA DHODHA	CW9PD6 177Q	0	12,00,000	0	0	12,00,000	0
JAGRUBEN DINE SHIBHA BARIYA	BIMPB3 124M	0	9,00,000	0	0	9,00,000	0
JASWANTHAI IS HWADHAI BARIY A HUF	AAQHB9 850D	0	7,00,000	0	0	7,00,000	0
JAYANTIBHA MA GADSHA PRALIA PATI	DUPPP4 751M	0	8,00,000	0	0	8,00,000	0
JAYESHHA MAH HARSHA FARMA R HUF	AAHHJ6 137Q	0	10,00,000	0	0	10,00,000	0
JAYESHKUMAR B ABULAL KORADY A HUF	AAHHJ6 706Q	0	9,00,000	0	0	9,00,000	0
JAYSHREEBEN P ARBOTTAMSHAI DAMIT	BKPPGH 973C	0	9,00,000	0	0	9,00,000	0
JINAL RAHUL RA JPUT	DZPPB8 057F	0	7,00,000	0	0	7,00,000	0
JUHIFAR CHIRAG PANZOLI	ARMPG9 954K	0	14,46,000	0	0	14,46,000	0
KAJAL BALUBHA PRALAPATI	FEPPP2 586C	0	10,50,000	0	0	10,50,000	0
KALABEN HARESH BHA PRALAPATI	FEXPR5 963R	0	5,00,000	0	0	5,00,000	0
KALPANA S. RAT HOD	DYNPR9 508E	0	5,00,000	0	0	5,00,000	0
KALPESH DAMAN LAL BHARUCHW ALA	BSMPB1 969S	0	10,00,000	0	0	10,00,000	0
KALPESH MOHAN BHA PRALAPATI	ARTPR6 954K	0	7,00,000	0	0	7,00,000	0
KANTABEN CHAG ANBHA JOSHI	AVUPJ1 483F	0	10,00,000	0	0	10,00,000	0
KARANHA KANT IBHA PATEL	DYNPP5 115C	0	8,00,940	0	0	8,00,940	0
KHUSHBUBEN PR AKASHBHA BHU VA	CJPPB2 817C	0	9,00,000	0	0	9,00,000	0
LALIT ENTERPRIS ES - SURAT	ANXPR2 712J	0	10,00,000	0	0	10,00,000	0

MACHUBEN VIJAY BHAI BARRA	BKFFPQ 885J	0	6,00,000	0	0	6,00,000	0
MAHENDRASHAI BHIMHALAL BAN DHVI	DSPFPB 900G	0	14,00,000	0	0	14,00,000	0
MAHENDRASHAI BHIMHALAL SANGH HWI HUF	AANHM8 887J	0	9,00,000	0	0	9,00,000	0
MAHITA BEN PRAVIN BHAI	BLVFPB 253J	0	4,80,000	0	0	4,80,000	0
MANULLABEN DIN ESHBHAI MEHETA	DIYMPM2 450B	0	7,00,000	0	0	7,00,000	0
MANOJ KANTISHA J PURCHET	DAWFPB 822L	0	10,00,000	0	0	10,00,000	0
MANUBHOUBHAI D ALBUKHSHA PARMAR	BYVFPQ 885Q	0	16,00,000	0	0	16,00,000	0
MITESH SHAH (HUF)	AAOHMM 700D	0	13,00,000	0	0	13,00,000	0
NARESHKUMAR SHANKARLAL SO LANNI	LZTFP1 951F	0	10,00,000	0	0	10,00,000	0
NATVAR. V. BARSAYA HUF	AAFHMB 954B	0	7,00,000	0	0	7,00,000	0
NAVYACHANDRA AMATHALAL PARIKH	AAQPPQ 800H	0	5,00,000	0	0	5,00,000	0
NILESHBHAI HARIRAM JOSHI	ARQFJB 461R	0	6,00,000	0	0	6,00,000	0
NILESHBHAI SHAH KARBHAI BAREYA	BFNFQ7 268N	0	10,00,000	0	0	10,00,000	0
NITESHBHAI RAM ANBHAI GAMIT	AZJFPQ3 375L	0	5,00,000	0	0	5,00,000	0
FARESH CHAMAN BHAI SHAM HUF	AAHFQ7 949E	0	10,00,000	0	0	10,00,000	0
FARESHBHAI MANOHAR BHAI PARMAR HUF	AAOHF4 008C	0	10,00,000	0	0	10,00,000	0
PRAKASHBHAI KHIMBHAJI PATEL	ASWFPB 886J	0	9,50,000	0	0	9,50,000	0
PRAVINBHAI DHIRUBHAI PRALAPATI	BLVFPB 255Q	0	5,00,000	0	0	5,00,000	0
PRINKESHBHAI RANJITBHAI GAMIT	BWBPQ5 390D	0	9,00,000	0	0	9,00,000	0
RAHUL R CHAUDHARI	BDRFQ5 211Q	0	9,00,000	0	0	9,00,000	0
RAJENDRA KARBHAI ANBHAI RATHVA	DSDFPB 564L	0	7,00,000	0	0	7,00,000	0
RAJESHBHAI CHAMANBHAI BRAHMAN	BSPFP3 858R	0	9,00,000	0	0	9,00,000	0
RAJESHKUMAR DHUDALAL NAI	BBCPM6 851A	0	8,00,000	0	0	8,00,000	0
RAJESHKUMAR RATUJI BHOJA	BTFFPQ 323A	0	8,00,000	0	0	8,00,000	0
RAKESH B BARDYA HUF	AAHFQ2 551K	0	8,50,000	0	0	8,50,000	0
RAMANBHAI CHANDUBHAI PARMAR	BYMFPQ 858P	0	9,00,000	0	0	9,00,000	0
RAMESHBHAI RATUBHAI VALUR	AYWFPQ 875N	0	9,50,000	0	0	9,50,000	0
RAMESHBHAI VITTHALBHAI SATANI	BNFPQ2 344N	0	9,00,000	0	0	9,00,000	0
RAMLABEN JAYA DEVSHI JOSHI	ASIPJ58 32K	0	9,00,000	0	0	9,00,000	0
RANA BHAVISHA	CUFPQ3 212N	0	5,00,000	0	0	5,00,000	0
RASLABEN SAVLITVA	DAWFPB 857B	0	7,00,000	0	0	7,00,000	0
RISHI MITESH KUMAR SHAH	DIYMPM8 044E	0	5,50,000	0	0	5,50,000	0

Acknowledgement Number : 61567997f04f022 Date of filing : 04-OCT-2022

ROHIT KANTIBHAI PURDHT	CVLPP6 2020	0	10,00,000	0	0	10,00,000	0
SATISH D BARIYA HUF	AAUM85 141L	0	5,14,000	0	0	5,14,000	0
SHAILESH RASHIL AL SHANKHWI HUF	AAZHS7 552Q	0	15,50,000	0	0	15,50,000	0
SHARDABEN DILIP BHAI SOLANKI	DXXP80 518A	0	9,00,000	0	0	9,00,000	0
SHARMLABEN P RAKASHBHAI MEHTA	CHFFM0 912A	0	8,00,000	0	0	8,00,000	0
SHEETAL JISHES H PATEL	AKUPP3 405F	0	4,40,000	0	0	4,40,000	0
SHYRAMESHAI ADASHAI CHAUDHARI	BFZPC8 180G	0	9,00,000	0	0	9,00,000	0
SNEHA PARESHBHAI SHAH	AXNPR2 151G	0	8,00,000	0	0	8,00,000	0
SUDHIRBHAI MAHENDRABHAI MOODI HUF	AAZHS8 312N	0	9,00,000	0	0	9,00,000	0
SUR GEMS - SURAJ	ACQPP6 700E	0	10,00,000	0	0	10,00,000	0
SURESHABEN AMRITBHAI LUHAR	ALDPL74 90B	0	7,00,000	0	0	7,00,000	0
TEJABHAI RATANBHAI RAJPUT	BONPR3 506A	0	8,00,000	0	0	8,00,000	0
UPENDRA SOMABHAI PARMAR	EWHPP6 746E	0	9,00,000	0	0	9,00,000	0
URVASHIBEN JAYESHBHAI PRADAPATI	CKKPB0 770Q	0	9,54,000	0	0	9,54,000	0
VARNIA KANTABEN	BHQPV3 565L	0	7,00,000	0	0	7,00,000	0
VARSHADEN R B APPIA	AUCPP6 957N	0	8,00,000	0	0	8,00,000	0
VIDHUR CHHAOGANBHAI PATEL	CHFFM4 757Q	0	8,00,000	0	0	8,00,000	0
VIHABHAI GANESH BHAI LUHAR	BHJPL3 891K	0	7,00,000	0	0	7,00,000	0
VIJAYKUMAR CHIMANLAL VISHVADIA HUF	AAJHV01 15M	0	15,00,000	0	0	15,00,000	0
VIMALKUMAR PARMESHBHAI CHAUDHARI	AZIPC11 91R	0	9,00,000	0	0	9,00,000	0
YASH PRAKASHBHAI PATEL	DSEPP2 588L	0	9,00,000	0	0	9,00,000	0
YASHWANT MADANBHAI SANNIYALIA	CHFFP31 186C	0	8,00,000	0	0	8,00,000	0

As far as Purpose of Unsecured Loan and/or objective of Unsecured Loan is concerned I find the appellant is miserable failed to divulge the reason for taking this huge interest free Loan from its shareholders. The need for any business exegency or any kind of business purpose or any other purpose remain unestablished by the appellant with supporting evidence. Interest free Loan receiving at the beginning of the Financial Year under consideration and repayment within the very next beginning of Financial Year forced me to hold that such loan transaction was made not for any business exigencies but for some other inherent pre-conceived benefit or any kind of benefit including providing entry & tax evasion.

In course of appeal proceedings it is observed from the Tax Audit report for the A.Y 2022-23 vide sl. no. 40 of form 3CD as per below:

Acknowledgement Number: 546808780270922

40. Details regarding turnover, gross profit, etc., for the previous year and preceding previous year:

Sl. No.	Particulars	Previous Year		%	Preceding previous Year		%
(a)	Total turnover of the assessee	186496990			46760488		
(b)	Gross profit / Turnover	34278928	198496990	17.27	45246198	46760488	32.60
(c)	Net profit / Turnover	2687244	186496990	1.34	2806436	46760488	6.00
(d)	Stock-in-Trade / Turnover	12224703	198496990	6.16	1766319	46760488	3.76
(e)	Material consumed / Finished goods produced	0	0	0.00			0.00

In view of above report it is observed despite turnover increases from Rs. 4,67,60,488/- in preceding previous year to Rs. 19,64,96,990/- this preceding year, Gross profit to Turnover ratio decreases / reduces from 32.60% to 17.27% this preceding year. Simultaneously Net profit to Turnover ratio decreases / reduces from 6.00% to 1.34% in the year under consideration. The above two ratios again increases in the next financial year i.e in the F.Y 2022-23 i.e in the A.Y 2023-24 from 17.27% to 27.91% and from 1.34% to 2.73% respectively when the purported loan has been repaid though the turnover figure has been changed from Rs. 19,64,96,990/- to 19,84,96,990/- as well as Net profit amount changed from Rs 26,87,244/- to Rs. 38,47,296/- along with change of net profit % from 1.34 to 1.94 as per the reproduction of the relevant portion of the Audit report as under :

40. Details regarding turnover, gross profit, etc., for the previous year and preceding previous year:

Sl. No.	Particulars	Previous Year		%	Preceding previous Year		%
(a)	Total turnover of the assessee	208036277			198496990		
(b)	Gross profit / Turnover	58056994	208036277	27.91	34278928	198496990	17.27
(c)	Net profit / Turnover	5687756	208036277	2.73	3847296	198496990	1.94
(d)	Stock-in-Trade / Turnover	6528319	208036277	3.14	12224703	198496990	6.16
(e)	Material consumed / Finished goods produced			0.00			0.00

Acknowledgement Number: 341415760290923

FORM 3CA [See rule 50(1)(a)]

Audit report under section 44AB of the Income-tax Act, 1961 in a case where the accounts of the business or profession of a person have been audited under any other law

1. We report that the statutory audit of

Name	OLIRIA FOODS AND BEVERAGES LIMITED
Address	A136H, Road No 9D, VKE Area , Vishwakarma Industrial Area S.O , Vishwakarma Industrial Area S.O , Jaipur , JAIPUR , 27-Rajasthan , 91-India , Pincode - 302018
PAN	AAGCG015G
Andhear Number of the assessee, if available	

was conducted by M/s AMIT GOYAL & CO in pursuance of the provisions of the Companies Act, 2013,

and We annex hereto a copy of our audit report dated 06-Sep-2023 along with a copy each of

- the audited profit and loss account for the period beginning from 01-Apr-2022 to ending on 31-Mar-2023
- the audited balance sheet as at 31-Mar-2023 ; and
- documents declared by the said Act to be part of, or annexed to, the profit and loss account and balance sheet.

2. The statement of particulars required to be furnished under section 44AB is annexed herewith in Form No. 3CO.

3. In our opinion and to the best of our information and according to examination of books of account including other relevant documents and explanations given to us, the particulars given in the said Form No. 3CO are true and correct subject to the following observations/qualifications, if any.

Sl. No.	Qualification Type	Observations/Qualifications
1	Records necessary to verify personal nature of expenses not maintained by the assessee	No such records has been maintained. However assessee informed that all expenses are incurred for business purposes.
2	Others	Central Value Added Tax is not applicable because input tax credit is not routed through profit and loss account
3	Creditors under Micro, Small and Medium Enterprises Development Act, 2006 are not ascertainable	The information regarding applicability of MSMED Act, 2006 to the various suppliers/parties is not available with the assessee, hence information as required vide Clause 22 of Chapter V of MSMED Act, 2006 is not been given.
4	Records produced for verification of payments through account payee cheque were not sufficient	The assessee has not made any payment exceeding the limit in section 40A(3)(269SS/269T) in cash. However, it is not possible for us to verify whether the payments in excess the specified limit in section 40A(3)(269SS/269T) have been made otherwise than by account payee cheque or account payee bank draft, as the necessary evidence are not in possession of the assessee.
5	Others	We have been informed by the Assessee that the statistical information required under Clause 44 of the Tax Audit Report has not been maintained in the absence of any statutory requirement under Goods and Service Tax statute. Further the standard accounting software used by the Assessee is not configured to generate any report in respect of such historical data in absence of any prevailing statutory requirement regarding maintenance of requisite information in this clause. In view of above we are unable to verify and report the desired information in this clause.
6	Others	Central Value Added Tax is not applicable because input tax credit is not routed through profit and loss account

Accountant Details

Name	GHARAN GUPTA
Membership Number	074450
FRN(Firm Registration Number)	0903778C
Address	A-8, IIND FLOORGANPATI ENCLAVE , AJMER ROAD , Ajmer Road S.O , Jaipur , JAIPUR , 27-Rajasthan , 91-India , Pincode - 302006
Date of signing Tax Audit Report	27-Sep-2023
Place	JAIPUR
Date	27-Sep-2023

Acknowledgement Number:341415760290923

FORM 3CD [See rule 6G(2)]

Statement of particulars required to be furnished under section 44AB of the Income-tax Act, 1961

PART - A

1. Name of the Assessee	OLIRIA FOODS AND BEVERAGES LIMITED		
2. Address of the Assessee	A130H, Road No 9D, VKI Area , Vishwakarma Industrial Area S.O , Vishwakarma Industrial Area S.O , Jaipur , JAI PUR , 27-Rajasthan , 31-India , Pincode - 302013		
3. Permanent Account Number (PAN)	AAGCO9015G		
Aadhaar Number of the assessee, if available			
4. Whether the assessee is liable to pay indirect tax like excise duty, service tax, sales tax, goods and services tax, customs duty, etc. If yes, please furnish the registration number or GST number or any other identification number allotted for the same ?	Yes		
Sl. No.	Type	Registration / Identification Number	
1	Goods and Services Tax 27-Rajasthan	08AAGCO9015G1ZH	
5. Status	Company		
6. Previous year	01-Apr-2022 to 31-Mar-2023		
7. Assessment year	2023-24		
8. Indicate the relevant clause of section 44AB under which the audit has been conducted			
Sl. No.	Relevant clause of section 44AB under which the audit has been conducted		
1	Clause 44AB(a)- Total sales/turnover/gross receipts of business exceeding specified limits		
9(a). Whether the assessee has opted for taxation under section 115BA / 115BAA / 115BAB / 115BAC(1A) / 115BAD / 115BAE ?	Yes		
Section under which option exercised			115BAA

PART - B

9.(a). If firm or Association of Persons, indicate names of partners/members and their profit sharing ratios. In case of AOP, whether shares of members are indeterminate or unknown?						
Sl. No.	Name	Profit Sharing Ratio (%)				
No records added						
(b). If there is any change in the partners or members or in their profit sharing ratio since the last date of the preceding year, the particulars of such change ?						No
Sl. No.	Date of change	Name of Partner/Member	Type of change	Old profit sharing ratio (%)	New profit Sharing Ratio (%)	Remarks
No records added						
10.(a). Nature of business or profession (if more than one business or profession is carried on during the previous year, nature of every business or profession).						
Sl. No.	Sector	Sub Sector			Code	
1	MANUFACTURING	Other manufacturing n.e.c.			04097	
(b). If there is any change in the nature of business or profession, the particulars of such change ?						No
Sl. No.	Business	Sector	Sub Sector		Code	

In view of above after considering the submission of the appellant I find that the appellant have claimed to have established the genuineness of loan transaction undoubtedly. But I find from the assessment order that the AO has doubted genuineness of said transactions not only in assessment order but also he has established how the loan transactions are rigged and are not being genuine.

It is observed that the appellant is unable to file any satisfactory reply to justify the logic behind genuine loan received from the shareholders for any specific purpose vis-a vis failed to justify the genuineness of sudden receipt and payment of the interest free loan transaction within a short time span.

The appellant cannot escape from the burden cast upon it and unfortunately in this case the burden is heavy as the facts establish that the transactions which were made by the appellant had phenomenal fall in Gross Profit as well as net profit in the year under consideration.

Despite availing adequate opportunity the appellant is unable to establish and prove that there was no manipulation in the other end and whatever benefits the appellant has reaped was not tainted. I find during the course of assessment, the Assessing Officer (AO) has culled out proximate facts in each of the case took into consideration the surrounding circumstances which came to light after the investigation, took note of the proximity of the time between the receipt and payment of transaction and also the sudden and steep fall of the profits of the of the company and thereafter arrived at a conclusion.

For all the above reasons, I hold that the alleged transaction is obviously made for tax Evasion. Therefore, such transactions are not genuine but pre-conceived resulting in creation of bogus claim and, therefore, are sham transactions. Accordingly I find no infirmity in the order of the AO and resultantly, I have no hesitation in holding that the impugned order of the AO dated 16-03-2024 is based on apropos consideration of facts and law and hence the same does not warrant interference. Therefore, I am of opinion that AO's decision of invoking provision of section 68 of the I.T Act is justified in absence of satisfactory explanation on the part of the appellant. Accordingly I hold alleged unsecured interest free loan as bogus and the addition of Rs.10,24,75,690/- by invoking provision of section 68 of the I.T Act is in order and therefore, stand confirmed. The grounds No. 3,4,5 of appeal of the appellant are dismissed.

In the result, the appeal of the appellant is dismissed.”

5. The first appeal filed by the assessee was decided against the assessee by the Id. CIT(A). Feeling dissatisfied with order, the assessee-

appellant preferred the present appeal before this tribunal on the following grounds of appeal:

“1. *In the facts and in the circumstances of the case and in law, the Learned CIT(A) has erred in confirming the action of the 1 Learned Assessing Officer in completing the assessment u/s 144/144B of the Income Tax Act, 1961 inspite of making all the compliances against the notice issued by the learned AO.*

2. *In the facts and in the circumstances of the case and in law, the Learned CIT(A) has erred in confirming the addition of Rs. 4,59,890/-made by the Learned Assessing Officer on account of business profit without considering the submission of the assessee that this was sale of assets which was appearing on GST portal and not sales.*

3. *In the facts and in the circumstances of the case and in law, the Learned CIT(A) has erred in confirming the addition of Rs. 10,24,75,690/-made by the Learned Assessing Officer u/s 68 of the Income Tax Act, 1961 inspite of furnishing all evidences regarding identity, creditworthiness and genuineness of the transaction.*

4. *In the facts and in the circumstances of the case and in law, the Learned CIT(A) has erred in confirming the action of the Learned Assessing Officer in making addition of Rs. 10,24,75,690/- without making any enquiry from the loan creditors or without brining any adverse material on record that the transaction is not genuine only on the basis of assumption and presumption inspite of that loan has been repaid in subsequent years.*

5. *The assessee craves your indulgence to add amend or alter all or any grounds of appeal before or at the time of hearing.”*

5.1 While, pendency of the appeal, the assessee also raised following additional grounds of appeal vide application dated 09.01.2025 u/r 11 of the

ITAT Rules :

1. In the facts and in the circumstances of the case and in law, the Learned CIT(A) has erred in confirming the additions of Rs. 10,24,75,690/- on a different ground i.e. assessee failed to specify the purpose of loans without affording any opportunity to the assessee in this regard.

2. In the facts and in the circumstances of the case and in law, the Learned CIT(A) has erred in confirming the additions of Rs. 10,24,75,690/- on a different ground that assessee failed to explain the phenomenal fall in Gross Profit and Net Profit without affording any opportunity to the assessee in this regard.

Since, those grounds emanates from the order of the Id. CIT(A) and considering the various decision cited in the application filed by the assessee the bench considered the above additional grounds.

6. To support the various grounds raised by the assessee Id. AR of the assessee filed a detailed written submission which reads as under :

"The assessee is private limited company engaged in the business of manufacturing and processing of food items. The assessee company filed its return of income for assessment year 2022-23, declaring total income of Rs. 45,40,270/- on 04.10.2022. Copy of acknowledgement of return so filed along with computation of total income is available on Paper Book Page No.1. The books of accounts are duly audited and copy of audit report with audited accounts is available on Paper Book Page No.2-39. The case of the assessee was selected for scrutiny through "CASS" for the reason of "high creditors/liabilities and unsecured loans". During the course of assessment proceedings, in response to notice u/s 142(1) issued by the Learned Assessing Officer, the assessee furnished the complete names, addresses, confirmation with PAN, copy of ITRs, copy of bank statement etc. in respect of creditors from whom the assessee had taken unsecured loans to start a new joint venture project. All these unsecured loans were returned to the creditors in subsequent years. During the course of assessment proceedings, the Learned Assessing Officer also conducted independent inquiry from some of the creditors by issuance of notices u/s 133(6). The assessee also furnished detailed reply on 04/03/2024 to the show-cause notice dated 21/02/2024 issued by the Learned Assessing Officer. A copy of this reply dated 04.03.2024 is available on Paper Book Page No. 680 to 687. The confirmation, copy of ITR and copy of bank account of the creditors were also filed before the Learned Assessing Officer. However, the Learned Assessing Officer, without properly appreciating the facts of the case and the written submission and details filed by the assessee, completed the assessment u/s 144 read with Sec. 144B of the Income Tax Act, 1961 on 16/03/2024 by making the following additions :-

1	Addition on account of difference in turnover as per audit report and GST return	Rs. 4,59,890
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2	Unexplained cash credits added u/s 68	Rs. 10,24,75,690
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Against the order of the Learned Assessing Officer, the assessee preferred appeal before the Learned CIT(A). The learned CIT(A) has confirmed the addition of Rs. 10,24,75,690/- but on different grounds. The Learned CIT(A) has held as under –

"As far as Purpose of Unsecured Loan and/or objective of Unsecured Loan is concerned I find the appellant is miserably failed to divulge the reason for taking this huge interest free Loan from its shareholders. The need for any business exigency or nay kind of business purpose or any other purpose remain unestablished by the appellant with supporting evidence. Interest free Loan receiving at the beginning of the Financial Year under consideration and repayment within the very next beginning of Financial Year forced to hold that such loan transaction was made not for any business exigencies but for some other inherent pre-conceived benefit including providing entry and tax evasion....."

It is observed that the appellant is unable to file any satisfactory reply to justify the logic behind genuine loan received from the shareholders for any specific purpose vis-a vis failed to justify the genuineness of sudden receipt and payment of the interest free loan transaction within a short time span.

The appellant cannot escape from the burden cast upon it and unfortunately in this case the burden is heavy as the facts establish that the transactions which were made by the appellant had phenomenal fall in Gross Profit as well as net profit in the year under consideration.

For all the above reasons, I hold that the alleged transaction is obviously made for tax Evasion.

Therefore, such transactions are not genuine but per-conceived resulting in creating of bogus claim and, therefore, are sham transactions. Accordingly I find no infirmity in the order of the Assessing Officer and resultantly, I have no hesitation in holding that the impugned order of the Assessing Officer dated 16-03-2024 is based on apropos consideration of facts and law and hence the same does not warrant interference."

Before dismissing the appeal of the assessee on the ground that assessee failed to specify the purpose for which loans were taken, the learned CIT(A) did not provide any opportunity to the assessee for submitting the reply in this regard. Aggrieved with the order of the learned CIT(A) the assessee is in appeal before the Hon'ble Tribunal. It is submitted that while filing appeal the following grounds could not being taken due to inadvertence. The same is being taken as Additional Grounds. The Additional Grounds arise out of the order of the Learned CIT(A). The admission of the same is imperative for imparting justice in the case. The Additional Grounds are as under:-

Additional Ground No. 1 & 2 –

(1) In the facts and in the circumstances of the case and in law, the Learned CIT(A) has erred in confirming the additions of Rs. 10,24,75,690/- on a different ground i.e. assessee failed to specify the purpose of loans without affording any opportunity to the assessee in this regard.

(2) In the facts and in the circumstances of the case and in law, the Learned CIT(A) has erred in confirming the additions of Rs. 10,24,75,690/- on a different ground that assessee failed to explain the phenomenal fall in Gross Profit and Net Profit without affording any opportunity to the assessee in this regard.

In the above regard a separate application has been filed for admission of the additional grounds. The Hon'ble Tribunal is humbly requested to admit the additional grounds. The assessee now takes up first the additional grounds for discussion.

Additional Ground No.1 –

In the facts and in the circumstances of the case and in law, the Learned CIT(A) has erred in confirming the additions of Rs. 10,24,75,690/- on a different ground i.e. assessee failed to specify the purpose of loans without affording any opportunity to the assessee in this regard.

It is submitted that while completing the assessment order u/s 143(3) on 16.03.2024 the Learned Assessing Officer made additions of Rs. 10,24,75,690/- in respect of cash credits treating the same as unexplained u/s 68 of the Income Tax Act, 1961. The only grounds on which the cash credits were rejected by the Learned Assessing Officer were that the creditors who had advanced loan to the assessee were filing return of income with meager income say Rs. 2 Lakh to 4 Lakh. The other ground on which the cash credits were rejected was in the bank account of the creditors cash was deposited immediately before the loan was granted to the assessee. In view of these facts the Learned Assessing Officer doubted the genuineness of the creditors and held the same being not normal and held the unsecured loans as accommodation entries. The Learned Assessing Officer nowhere referred as for what purpose the loans were taken by the assessee nor any query was raised in this regard.

However, in appeal the Learned CIT(A) has observed as under in the appellate order -

"As far as Purpose of Unsecured Loan and/or objective of Unsecured Loan is concerned I find the appellant is miserable failed to divulge the reason for taking this huge interest free Loan from its shareholders. The need for any business exigency or nay kind of business purpose or any other purpose remain unestablished by the appellant with supporting evidence. Interest free Loan receiving at the beginning of the Financial Year under consideration and

repayment within the very next beginning of Financial Year forced to hold that such loan transaction was made not for any business exigencies but for some other inherent pre-conceived benefit including providing entry and tax evasion" (Page 85 of the appellate order)

In view of the aforesaid observation of the Learned CIT(A) it is submitted that the same is totally irrelevant. For determining the genuineness of cash credits. It is of little avail as for what purpose the same were obtained. Further before confirming the addition on this ground, the Learned CIT(A) never afforded any opportunity in this regard. The Learned CIT(A) never asked the assessee to furnish and divulge the purpose for which the loans were taken. The action of the Learned CIT(A) in confirming the cash credits on this ground is against the principles of equity and justice. Therefore, the action of the Learned CIT(A) deserves to be quashed.

It is further submitted that although the Learned CIT(A) did not furnish any opportunity to the assessee to disclose the purpose of loans but while filing the appeal the assessee has disclosed in the column 11 (statement of facts) "Here it is worthwhile to mention that during the year under consideration the assessee has entered in MOU with other corporate entity to start a new joint venture project and the whole money was advanced to M/s Nakshatra Corporate Advisors Limited, Nagpur for setting up of new project in joint venture." The Learned CIT(A) perhaps did not go through the facts of the case otherwise he would have avoided confirming the addition on this ground.

It is further submitted that during the year under consideration the assessee had entered into an agreement under the name and style "Mandate cum Sourcing Agreement" on 08.03.2021 with Nakshatra Corporate Advisors Limited. A copy of this agreement is available on paper book page no. 688 to 693. The assessee has executed this agreement for acquiring tangible business assets preferably stress assets of Tijaria Polypipes Limited from Bank of India. For this purpose, Nakshatra Corporate Advisors Limited was authorized to coordinate and settle all outstanding dues of Bank of India. The assessee had agreed to pay a sum of Rs. 15 Crore as consultancy fees. The assessee paid Rs. 10,00,00,000/- during the year under consideration from April-2021 to August-2021. Copies of the ledger accounts of Nakshatra Corporate Advisors Limited as appearing in the books of assessee and vice-versa are available on Paper Book Page No. 694 to 698. It is for this purpose i.e. for making payment to Nakshatra Corporate Advisors Limited that assessee had sought loans from various parties. The purpose of loan is thus amply proved. It is further submitted that the assessee did not succeed in obtaining stress assets of Tijaria Poly Pipes Limited. Hence, the loans were thereafter immediately returned. The assessee however, reiterates that notwithstanding the purpose of loan, the assessee has furnished complete documents establishing the genuineness of cash credits. The same otherwise were required to be accepted. The Learned CIT(A) has unlawfully confirmed the additions on wrong and different grounds without affording opportunity to the assessee. The action of the CIT(A) deserves to be nullified. The addition of cash credits confirmed by him deserve to be deleted.

Additional Ground No. 2 –

In the facts and in the circumstances of the case and in law, the Learned CIT(A) has erred in confirming the additions of Rs. 10,24,75,690/- on a different ground that assessee failed to explain the phenomenal fall in Gross Profit and Net Profit without affording any opportunity to the assessee in this regard.

It is further submitted that the Learned CIT(A) has again erred in confirming the addition of cash credits on a ground which was neither disclosed to the assessee nor such ground was taken by the Learned Assessing Officer. The Learned CIT(A) has observed in the appellate order as under: -

In course of appeal proceedings it is observed from the Tax Audit report for the A.Y 2022-23 vide sl. no 40 of form 3CD as per below :

Acknowledgement Number:546808780270922

40. Details regarding turnover, gross profit, etc., for the previous year and preceding previous year:						
Sl. No.	Particulars	Previous Year		%	Preceding previous Year	
						%
(a)	Total turnover of the assessee	198496990			46760488	
(b)	Gross profit / Turnover	34278628	198496990	17.27	15246199	46760488
(c)	Net profit / Turnover	2667244	198496990	1.34	2806436	46760488
(d)	Stock-in-Trade / Turnover	12224703	198496990	6.16	1766319	46760488
(e)	Material consumed / Finished goods produced	0	0	0.00		0.00

In view of above report it is observed despite turnover increases from Rs. 4,67,60,488/- in preceding previous year to Rs. 19,64,96,990/- this preceding year, **Gross profit to Turnover ratio decreases / reduces from 32.60 % to 17.27% this preceding year**. Simultaneously **Net profit to Turnover ratio decreases / reduces from 6.00 % to 1.34% in the year under consideration**. The above two ratios again increases in the next financial year i.e in the F.Y 2022-23 i.e in **the A.Y 2023 -24 from 17.27% to 27.91% and from 1.34% to 2.73% respectively when the purported loan has been repaid though the turnover figure has been changed from Rs. 19,64,96,990/- to 19,84,96,990/- as well as Net profit amount changed from Rs 26,87,244/- to Rs. 38,47,296/- along with change of net profit % from 1.34 to 1.94 as per the reproduction of the relevant portion of the Audit report as under :**

40. Details regarding turnover, gross profit, etc., for the previous year and preceding previous year:							
Sl. No.	Particulars	Previous Year			Preceding previous Year		
				%			%
(a)	Total turnover of the assessee	208036277			198496990		
(b)	Gross profit / Turnover	58056994	208036277	27.91	34278928	198496990	17.27
(c)	Net profit / Turnover	5687756	208036277	2.73	3847296	198496990	1.94
(d)	Stock-in-Trade / Turnover	6528319	208036277	3.14	12224703	198496990	6.16
(e)	Material consumed / Finished goods produced			0.00			0.00

It is submitted that in the aforesaid para the Learned CIT(A) has discussed the turnover, GP and NP disclosed by the assessee. It is the case of the Learned CIT(A) that "*The appellant cannot escape from the burden cast upon it and unfortunately in this case the burden is heavy as the facts establish that the transactions which were made by the appellant had phenomenal fall in Gross Profit as well as net profit in the year under consideration.*" (Page 98 of the appellate order).

It is submitted that in the aforesaid observation the Learned CIT(A) has tried to give an impression that the loans obtained by the assessee resulted in fall in GP and NP. It is in fact very ridiculous on the part of the Learned CIT(A) to observe so. He has miserably failed to link the profits with creditors. It is common knowledge that GP has got nothing to do with the creditors. However, NP is affected if there is huge payment of interest to creditors. But in this case no interest has been charged on the loans taken by the assessee. Therefore, the loans were not at all in anyway connected with GP or NP. The observation of the Learned CIT(A) are absolutely not related with the genuineness of the creditors. Further the purpose of loans already stands explained in the forgoing para. The sum and substance of the submission of the assessee is that Hon'ble ITAT may kindly disregard the observations of the Learned CIT(A) in toto. The addition made by the Learned Assessing Officer and so confirmed by the Learned CIT(A) may kindly be deleted.

The assessee now takes up the regular grounds of appeal for discussion –

Ground No. 1 –

In the facts and in the circumstances of the case and in law, the Learned CIT(A) has erred in confirming the action of the Learned Assessing Officer in completing the assessment u/s 144/144B of the Income Tax Act, 1961 inspite of making all the compliances against the notice issued by the learned AO.

In the case of the assessee assessment proceedings were initiated with the issue of notice u/s 143(2) on 01.06.2023. During the course of assessment proceedings the Learned Assessing Officer issued show cause notice u/s 144 on 21.12.2023. A copy of this notice is available on Paper Book Page No. 699 to 702. Subsequently show cause notice was also issued on 21.02.2024. copy of this notice is also available on Paper Book Page No. 703 to 710. Although assessee complied with all the notices issued by the Learned Assessing Officer and submitted desired information from time to time yet the Learned Assessing Officer has erroneously and unlawfully has completed the assessment u/s 144. This is apparent from the following observation of the Learned Assessing Officer –

"3.2.3 For the sake of natural justice, as per provisions of section 144B(1)(ix) of the IT Act, one more opportunity was given to the assessee to show cause as to why the assessment should not be completed to the best of its judgment invoking the provisions under section 144 rws 147 of the IT Act. Accordingly, a Show Cause Notice u/s 144 r.w.s 147 of the IT Act was issued on 21.12.2023 asking to submit response on or before 28.12.2023. The assessee responded and sought adjournment. The assessee filed its reply on 06.01.2024 and furnished copy of ITR alongwith computation of income, Audit Report and details of shareholders etc. A centralized communication was also sent to the assessee on 18.01.2024 to which the assessee replied on 20.01.2024 and furnished details of unsecured loan. Another notice 142(1) of the I.T. Act was issued to assessee on 01.02.2024 requesting the assessee to furnish the details of trade creditors/liabilities. The assessee sought adjournment which was granted and the assessee was requested to furnish the details on or before 15.02.2024. The assessee furnished the details of sundry creditors on 15.02.2024." (from assessment order para 3.2.3)

3.3.2 Unexplained cash credit u/s 68

The assessee has furnished the details of unsecured loan for F.Y. 2021-22. The assessee submitted that during the year under consideration, the assessee company has availed fresh unsecured loan of Rs. 10,24,75,690/- from its directors or shareholders. In response to the notice u/s 142(1) of the I.T. Act, the assessee furnished ledger, copy of ITR and bank account statement in confirmation of loan availed. Vide its response to SCN also, the assessee furnished only ledger and copy of ITR of some of the lenders from whom unsecured loan was availed." (from assessment order para 3.3.2)

The perusal of the aforesaid para reveal that the Learned Assessing Officer has observed that assessee furnished:- (i) copy of income tax returns, (ii) computation of income, (iii) details of trade creditors, (iv) details of sundry creditors, (v) audit report, and (vi) details of share holders. In view of furnishing the details nothing remains for compliance on the part of the assessee. Yet, the assessment has been completed by the Learned Assessing Officer u/s 144 as is mentioned in column 13 on the first page of the assessment order. It is submitted that despite compliance of all notices and furnishing of complete information, if the Learned Assessing Officer still thought if fit to complete the assessment u/s 144 then it was

first required of him to reject the books of accounts u/s 145(3). The relevant provisions of section 145(3) are quoted below –

(i) *Method of accounting.*

145. (1) Income chargeable under the head “Profits and gains of business or profession” or “Income from other sources” shall, subject to the provisions of sub-section (2), be computed in accordance with either cash or mercantile system of accounting regularly employed by the assessee.

(2) The Central Government may notify in the Official Gazette from time to time income computation and disclosure standards to be followed by any class of assesses or in respect of any class of income.

(3) Where the Assessing Officer is not satisfied about the correctness or completeness of the accounts of the assessee, or where the method of accounting provided in sub-section (1) has not been regularly followed by the assessee, or income has not been computed in accordance with the standards notified under sub-section (2), the Assessing Officer may make an assessment in the manner provided in section 144.

The perusal of the aforesaid section reveals that it is the mandate of section 145 that before completing assessment u/s 144 the Learned Assessing Officer is required to reject the books of accounts u/s 145(3) on the ground that the Learned Assessing Officer was not satisfied with the correctness and completeness of the same or the method of accounting has not been regularly followed. It is submitted that in the entire assessment order the Learned Assessing Officer has not observed nor has given any such finding. In view of this the completion of assessment u/s 144 is bad in law. The same deserves to be quashed. The following case laws are quoted in support –

- (i) DCIT vs. Swananda Properties Pvt Ltd (2020) 15 ITR OLD 128 (Bom)
- (ii) CIT Vs. Anil Kumar & Co. (2016) 386 ITR 702 (Kar)
- (iii) PCIT Vs. Marg Ltd (2017) 396 ITR 580 (Mad)
- (iv) PCIT Vs. Forum Sales Pvt Ltd. (2024) 468 ITR 392 (Del)

It is also relevant to mention that the Learned CIT(A) on the first page of the appellate order has also mentioned that the order appeals was passed u/s 144 of the Income Tax Act, 1961. In the facts and circumstances of the case the order passed u/s 144 deserves to be quashed as the Learned Assessing Officer has not followed the provisions of section 145(3).

Ground No. 2 –

In the facts and in the circumstances of the case and in law, the Learned CIT(A) has erred in confirming the addition of Rs. 4,59,890/- made by the Learned Assessing Officer on account of business profit without considering the submission of the assessee that this was sale of assets which was appearing on GST portal and not sales.

During the course of appellate proceedings the assessee submitted before the Learned CIT(A) as under: -

"It is submitted that the Learned Assessing Officer has made addition of Rs. 4,59,890/- on the ground that sales disclosed in the trading account (audited) was only of Rs.19,84,96,990/- whereas in the GST return, the same was of Rs. 19,90,07,490/-. During the course of assessment proceedings, the discrepancy was explained by the assessee stating that this was because of the fact that there was sales of Rs. 5,10,500/- of fixed assets, which was not part of trading account. A chart reconciling the discrepancy was submitted during the course of assessment proceedings, which has been reproduced by the Learned Assessing Officer on page 5 of the assessment order. The same is scanned below :-

Oliria Foods & Beverages Pvt Ltd A-130(H), Road No 9D, VKI Area, Jaipur		
Turnover as per Balance Sheet in audit report		19,84,96,990.00
Other Income show in Balance sheet		
1. Duty Draw Back	810.00	
2. Interest income on FDR	44,142.00	
3. Interest on Security Dep with JVVNL	5,653.00	50,605.00
Total		19,85,47,595.00
Turnover as per GST Return		19,90,07,490.00
Less Fixed Assets sales trf to relvant head		
1. Vibrating Screen, Mixer, Convayer & Pulver	1,10,000.00	
2. Electric Transformer	4,00,500.00	5,10,500.00
Net Turnover		19,84,96,990.00

However, although assessee fully explained the discrepancy, yet the Learned CIT(A) in a very causal manner disregarded the submission of the assessee and upheld the addition made by the Learned Assessing Officer. The humble submission of the assessee is that the Hon'ble ITAT may kindly consider the aforesaid submission and grant relief to the assessee.

Ground No. 3 & 4-

(3) In the facts and in the circumstances of the case and in law, the Learned CIT(A) has erred in confirming the addition of Rs. 10,24,75,690/- made by the Learned Assessing Officer u/s 68 of the Income Tax Act, 1961 inspite of furnishing all evidences regarding identity, creditworthiness and genuiness of the transaction.

(4) In the facts and in the circumstances of the case and in law, the Learned CIT(A) has erred in confirming the action of the Learned Assessing Officer in making addition of Rs. 10,24,75,690/- without making any enquiry from the loan creditors or without bringing any adverse material on record that the transaction is not genuine only on the basis of assumption and presumption inspite of that loan has been repaid in subsequent years.

During the course of appellate proceedings the assessee submitted a detailed submission regarding the addition made u/s 68 in respect of cash credits of Rs. 10,24,75,690/-. In this submission the assessee emphatically explained that the cash credits were genuine. The assessee furnished evidence of the existence of the cash creditors, their identify was established. The PAN were furnished. The financial capacity was also established by way of furnishing their income tax returns and bank accounts. The genuineness of the transactions of loans were also established as the same were through banking channels. It is submitted that despite this the Learned CIT(A) has summarily rejected the submission of the assessee for no reason. The Learned CIT(A) has simply sustained the addition on surmises, guess work and conjectures. The first ground on which addition has been sustained by the Learned CIT(A) is that there was no logic for being the loans received and secondly despite heavy loan there was fall in GP rate. Both these grounds are not even distantly connected with the genuineness of the cash creditors. The Learned CIT(A) has wrongly sustained the addition holding the same as bogus and sham transactions. It is submitted that on record there is no evidence that the cash creditors are bogus or these are sham transactions. The entire exercise both by the Learned Assessing Officer as well as by the Learned CIT(A) in holding the cash creditors as bogus is a futile exercise. The assessee has submitted that the purpose of loans taken was for acquiring stress assets of Tijaria Poly Pipes Ltd as the assessee did not succeed in acquiring the same, the loans were immediately returned. It would further be observed that the amount of loans taken is Rs. 10,24,75,690/- and the same matches with the amount of Rs. 10,00,00,000/- advanced by the assessee to Nakhastra Corporate Advisors Limited. In view of this it is submitted that the addition made by the Learned Assessing Officer and sustained by the Learned CIT(A) may kindly be deleted.

The submission made before the Learned CIT(A) is quoted below for ready reference –

The grounds No. 3 & 4 are taken together for discussion. The case of the assessee was selected for scrutiny in order to examine creditors and unsecured loans. During the year under consideration, the assessee has availed loans of Rs. 10,24,75,690/- and strangely enough, all these loans have been treated by the

Learned Assessing Officer as unexplained and added to the income of the assessee u/s 68 of the IT Act. The grounds on which additions have been made by the Learned Assessing Officer are as under :-

(i) Scrutiny of bank account of few creditors .

The Learned Assessing Officer has mentioned on page 6 of the assessment order that examination of the bank account of some of the depositors revealed that in the relevant account, amount of the same value which has been advanced to the assessee has been deposited immediately before transferring to the assessee. The Learned Assessing Officer has entertained doubts and suspicion about such nature of deposits in the bank account before transferring the same to the assessee.

Secondly, the Learned Assessing Officer has further observed that besides the amount transferred to the assessee, the other transactions in the bank account are of small monetary value.

The Learned Assessing Officer has further observed that the return of income filed by these depositors discloses income ranging from Rs. 3 lac to Rs. 4 lac.

In view of these facts, the Learned Assessing Officer was of the view that the genuineness of transaction and creditworthiness of the lenders was not established.

It is submitted that the above general observations have been made by the Learned Assessing Officer by examining cursorily a few IT returns and bank accounts of the depositors. He has examined only seven IT returns and two bank accounts whereas the number of depositors is 121. The sample size of the Learned Assessing Officer was not adequate enough to make general observations. Over and above this, each cash credit is individually different and cannot be compared with any other cash credit. So the Learned Assessing Officer was not justified to make any general observation without examining all the cash credits.

(ii) Notice u/s 133(6) to eight persons

The Learned Assessing Officer has mentioned on page 29 of the assessment order that notices u/s 133(6) were issued in 8 cases noted below. Relevant page 29 is scanned below :-

Hence, the genuineness of transaction and creditworthiness of the lenders are not established.

In the process of finalisation of assessment proceedings, on a test check basis, notice u/s 133(6) of the I.T. Act was issued to 8 persons, details thereof are as under, and ledger of the assessee in their books of account, bank statement along with other details were sought.

S. No.	Name	PAN	Amount of unsecured loan (in Rs.)
1	VIJAYKUMAR CHIMANLAL VIRWADIYA HUF	AAIHV9115M	18,00,000
2	MITESH SHAH (HUF)	AAOHM4792D	13,00,000
3	PARMAR PARESHBHAI MANHARBHAI (HUF)	AAOHP4908C	10,00,000
4	SHAILESH RASIKLAL SANGHVI HUF	AAZHS7552Q	16,50,000
5	HIRALBHAI MAHESHCHANDRA RANGREJ	AHCPR5149Q	10,00,000
6	DAMINIBEN VASAVA	BMZPV8350C	14,00,000
7	MANSUKHBHAI DALSUKHBHAI PARMAR	BVMPP2665Q	16,00,000
8	KAJAL BALUBHAI PRAJAPATI	FEPPP2585C	10,50,000

The Learned Assessing Officer has mentioned that replies were received in respect of the above 8 persons and these were examined and taken on record. This shows that the Learned Assessing Officer was satisfied with the replies of the depositors and no adverse observations has been made by the Learned Assessing Officer in respect of these eight persons.

(iii) Examination of bank accounts of few depositors

In addition of the above examination of depositors, the Learned Assessing Officer has further discussed on Page 30-35 the bank accounts of certain depositors, a few of them are discussed below, which shows that the Learned Assessing Officer did not examine the bank accounts in proper perspective.

After examining the bank accounts of these depositors, the Learned Assessing Officer has made the same observations that amounts in the accounts has been credited only a few days earlier to transferring the same to the assessee. Further, apart from the amount transferred to the assessee, other transactions are of insignificant amount. In some cases, the opening and closing balances were of little amount. On the basis of these facts, the Learned Assessing Officer has given a finding that the depositors are only accommodation entry providers and creditworthiness of the parties could not be established.

It is submitted that the Learned Assessing Officer was not justified in making addition by making superficial allegations. The examination of bank account of the depositors is not wholesome. The Learned Assessing Officer was not justified to hold that the depositors were entry providers without bringing any material on record. There is no material with the Learned Assessing Officer to hold that there was round-tripping of the amounts. It is not the case of the Learned Assessing Officer that he was in possession of evidence that the assessee paid cash in lieu of the amount received from the respective parties as share application money. The additions have been made by the Learned Assessing Officer more on the basis of suspicion, guess work and conjecture and not on evidence. The Learned Assessing Officer did not appreciate the evidences furnished before him in the shape of confirmations, Income Tax returns and copy of bank account. The action of the Learned Assessing Officer in treating the entire cash credits of Rs.10,24,75,690/- as unexplained under section 68 is assailed and contested as under :-

(a) IT returns and bank statements in respect of all cash-creditors numbering 121

It is submitted that in respect of all the 121 depositors, deposits totaling to Rs. 10,24,75,690/-, the assessee is furnishing a chart containing the name of the creditors, their complete address, Permanent Account Number, Amount of loan and source of deposit with evidences, i.e. copy of bank account of the creditors, their confirmation, ledger account of the assessee showing repayment of the loan along with date, copy of bank account of the assessee in support of repayment of

loan etc. The chart along with copies of these documents are available on Paper Book Page No. 40-679.

It is submitted that identity of each depositor is established beyond doubt on furnishing of PAN and ITR. The genuineness of transaction of deposit is further proved as the same is through banking channel. The capacity of the depositor is further proved as there are large scale transactions in the bank account of each depositor. It is not a case where the bank account contains only a loan transaction of deposit made to the assessee by the depositor. In the facts and circumstances of the case, the Assessing Officer was not justified in treating all the deposits as unexplained by making surface inquiries and uncalled for observations in respect of few depositors. The facts of each depositor are different and these required to be examined independently. The action of the Learned Assessing Officer in summarily rejecting the submissions of the assessee and treating all the deposits as unexplained was most unjustified. All the deposits are genuine and deserve to be accepted.

(b) Examination of bank account of depositors

The Learned Assessing Officer has made sweeping generalizations by making superficial observations in respect of the bank account of the depositors. First of all, the assessee takes up for discussion certain cases which the Learned Assessing Officer has made basis and has discussed the same on Page 29 to 35 of the assessment order. These are discussed as under :-

1. Hiralbhai Maheshchandra Rangrej : Rs.10,00,000

It is the case of the Learned Assessing Officer that in this case, amount of Rs. 10,00,000/- has come in the account on 19/5/2021 and transferred to the assessee on 20/05/2021. The opening balance are meagre. However, it is submitted that the amount of Rs. 10,00,000/- has come in the bank account on 19/5/2021 through RTGS. There is no cash deposit. Further the copy of account also discloses that the assessee was having balance of Rs. 1,95,665/- on 21/9/2020. There is another transaction of Rs. 1,83,000/- transferred to Shri Ajay D Gajjar on 22/9/2020. Therefore, it cannot be said that deposit with the assessee of Rs. 10,00,000/- is the lone transaction in the bank account. Further, the loan of Rs.10,00,000/- has been repaid by the assessee on 13/02/2023 through banking channel. Copy of ledger account is available on Paper Book page number cited supra. Therefore, the deposit in the hands of the assessee deserves to be accepted. In view of this, the Learned Assessing Officer was not justified to hold that the depositor was an accommodation entry provider. The deposit is genuine and deserves to be accepted.

2. Mansukhbhai Dalksukhbhai Parmar :Rs.16,00,000

It is submitted that the Learned Assessing Officer has failed to critically examine the bank account of the creditor furnished before him. There is no denying the fact that amount received through banking channel a few days before has been transferred to the assessee. But all these transactions are not in cash. There is no deposit in cash in the bank account. Further, after depositing amount with the

assessee, there are transactions of deposit of Rs.5,73,795/- on 22/4/2021 and Rs. 11,77,916/- on 18/6/2021. These amounts have also been utilized by the depositor in advancing the amount to other depositors. The multiplicity of these heavy transactions establish beyond doubt the capacity of the depositor and genuineness of the deposit Rs. 16,00,000/- with the assessee. Further, the amount of Rs. 16,00,000/- has been repaid to the creditor through cheque on 06/01/2023. In view of this position, the loan deserves to be accepted notwithstanding the faulty observations of the Learned Assessing Officer, who has avoided observations regarding other heavy transactions.

3. Natwar Bhai Varsanbhai Bariya, HUF Rs.7,00,000/-

It is submitted that the Learned Assessing Officer has wrongly observed that Natwar Bhai Varsanbhai Bariya (HUF) was an entry provider. The Id Assessing Officer has not observed the fact that on 3/4/2021 also, there is a transaction of Rs. 2,00,000/-. Therefore, the Learned Assessing Officer was wrong in observing that besides the transaction of Rs. 7,00,000/- deposited with the assessee on 24/5/2021, other transactions are of small amount transactions. It is to be stated here that the loan of Rs. 7,00,000/- has been repaid by the assessee through cheque 31/3/2023. In view of this, the observation of the Learned Assessing Officer is wrong. The deposit is genuine and requires to be accepted.

4. Shivrambhai Adabhai Choudhari : Rs 9,00,000

In this case also, the observations of the Learned Assessing Officer are in respect of a part of the bank account. The Learned Assessing Officer has restricted his observation to the deposit on 28/5/2021, which has been transferred on the same date to the assessee.

However, on 25/5/2021 also, there is transfer of amount to some other party and on this very date, there is transfer of Rs. 3,70,000/-. These facts show that the multiple transactions of heavy amounts reflect that the assessee was having capacity to deposit money with the assessee. The Learned Assessing Officer has ignored the fact that it is not only on 28/5/2021 that amount of Rs. 9,00,000/- has come in the bank account which has been transferred to the assessee, but on 24/5/2021 also, Rs. 12,69,422/- also came to the account through RTGS and the same was transferred on 25/5/2021 to some other parties. These facts establish that the depositor was having capacity to deposit Rs. 9,00,000/- with the assessee. Further, the loan of Rs. 9,00,000/- has been repaid by the assessee on 2/1/2023 through cheque. Copy of ledger account is available on Paper Book page number cited supra. Therefore, the loan is genuine and the same deserves to be accepted.

5. Kajal Babulal Prajapati : Rs.10,50,000/- (S.No.59)

The Learned Assessing Officer has not made any detailed comment on the bank account of the depositor. The Learned Assessing Officer has simply observed that examination of the bank account of Kajal Babulal Prajapati disclosed the same pattern.

The observation of the Learned Assessing Officer are not correct. The perusal of bank account of the depositor discloses that besides depositing money with the assessee, the depositor has advanced Rs. 2,00,000/- on 8/7/2020 to Rahul Bhai and similarly, Rs 5,00,000/- has been advanced to Piyush Patel on 9/11/2020. All these transactions are through RTGS. The multiplicity of transactions of heavy amounts establish the capacity of the depositor to deposit amount with the assessee. Further, the loan of Rs. 10,50,000/- has been repaid by the assessee on 4/1/2023 through cheque. Copy of ledger account is available on Paper Book page number cited supra. Therefore, the deposit in the hands of the assessee deserves to be accepted.

6. Shailesh Rasiklal Sanghvi : Rs.16,50,000/-

The Learned Assessing Officer has restricted himself in observing that the amount of Rs. 9,00,011/- was transferred to assessee's account on 28/5/2021 against receipt of amount of Rs. 14,28,897/- on 27/5/2021. Further, Rs.7,50,011/- was also transferred to the assessee's account on 31/5/2021 on receipt of Rs. 221000/- on this very day in the account of the creditor. However, the Learned Assessing Officer has ignored that there is receipt of Rs. 7,25,000/- on 16/3/2021 against which the assessee transferred Rs. 7,00,000/- to Shivam Arat. This shows that creditor was also advancing money to other parties. This proves the credibility and capacity of the depositor in advancing money to the assessee. The observations of the Learned Assessing Officer are faulty. Further, the loan of Rs. 16,50,000/- has been repaid by the assessee on 07/02/2023 through cheque. Copy of ledger account is available on Paper Book page number cited supra. Therefore, the deposit in the hands of the assessee deserves to be accepted.

7. Naresh Kumar Shankarlal Solanki : 10,00,000/-

In respect of this depositor also, the Learned Assessing Officer has made a very restricted observation that amount of Rs. 6,00,000/- and Rs. 4,00,000/- was credited in the account of the depositor on 24/5/2021 and transferred to the account of the assessee on the same date. However, the Learned Assessing Officer has ignored the other transactions available in the bank account of the depositor. The opening Balance as on 13/4/2021 is of Rs. 10,02,579/-. Further, amount has come in the account of the depositor of Rs. 1,74,000/- on this very date, i.e. 13/4/2021. Again the depositor has advanced Rs. 10,00,000/- on 13/4/2021 to M/s Shiv Buildingcom. This shows that the assessee was making advances to other parties also. The deposit with the assessee is not a lone transaction. Further, all transactions are through RTGS. There is no cash deposit in the account of the depositor. Further, the loan of Rs. 10,00,000/- has been repaid by the assessee on 10/01/2023 through cheque. Copy of ledger account is available on Paper Book page number cited supra. Thus, the amount advanced to the assessee is well explained and deserves to be accepted.

8. Abhishek Praveenbhai Prajapati : Rs.4,00,000/-

The Learned Assessing Officer has mentioned that the copy of bank account was not furnished, which now is available on the Paper Book. The perusal of the bank account reveals that the opening balance as on 21/6/2021 is of Rs. 5,42,721/-. It

is on 2/7/2021 that Rs. 4,00,000/- has been advanced to the assessee. Earlier to this, the depositor had advanced Rs. 3,00,000/- on 21/6/2021 to Neha Ramanbhai Parmar. Further, amount of Rs. 8,00,000/- has been received in the account of the depositor through RTGS on 1/7/2021. It is out of this amount that Rs. 4 lac has been advanced to the assessee on 2/7/2021. On this very date, i.e. 2/7/2021, the depositor had advanced Rs 4 lac to Vardhaman Jain. Thus, the account of the depositor discloses multiple transactions running into several lakhs. Advances have been made to other parties besides the assessee. The deposit with the assessee is not the lone transaction in the account of the depositor. Further, the loan of Rs. 4,00,000/- has been repaid by the assessee on 31/01/2023 through cheque. Copy of ledger account is available on Paper Book page number cited supra. In view of these facts, it is established beyond doubt that the deposit with the assessee is genuine and well explained.

9. Shardaben Dilipbhai Solanki : Rs.9,00,000/-

In respect of this depositor, the Learned Assessing Officer has observed that copy of bank account was not furnished, which is available on Paper Book. The perusal of the bank account reveals opening balance of Rs. 5,01,283/- on 29/6/2021. Out of this, Rs. 4,90,000/- was advanced to the assessee on 29/6/2021. There is further receipt through RTGS on 1/7/2021 of Rs. 4,08,000/-. After receipt of this amount, the depositor has further advanced Rs. 4,10,000/- to the assessee on 1/7/2021. Thus, total amount advanced to the assessee is Rs. 9,00,000/-.

Besides the above transactions relating to the assessee, there is further deposit in the account of the depositor of Rs. 11,10,466/- on 5/10/2021. Out of this amount, advances have been made to Zeel Corporation of Rs. 4,95,000/- on 11/7/2021 and Rs.4,90,000/- on 12/8/2021. The perusal of the bank account establishes the fact that the depositor was making advances running into several lacs to other parties also. Therefore, his creditworthiness is established. Further, the loan of Rs. 9,00,000/- has been repaid by the assessee on 031/01/2023. through cheque. Copy of ledger account is available on Paper Book page number cited supra. Therefore, the deposit in the hands of the assessee deserves to be accepted.

Examination of bank account of other depositors

Now after discussing the bank accounts of depositors, which have been wrongly and adversely commented by the Learned Assessing Officer, the assessee submits details of bank accounts of other depositors, which establish the source of deposits in a clear-cut way. It is submitted that the bank accounts discussed above in respect of nine depositors also disclose that –

- (a) The deposit with the assessee was not the only transaction in the bank account of the depositor ;
- (b) The bank account contain no cash deposit ;
- (c) All the transactions in the bank account are through RTGS and other electronic modes ;

(d) There are multiple transactions of deposits and withdrawals in these accounts

The position being so, the deposit made with the assessee by the depositors is well explained and deserves to be accepted. It is further submitted that the Learned Assessing Officer was wrong in treating all the deposits as unexplained on the basis of wrong analysis of the bank accounts of some of the depositors. In order to support the case that the deposits are genuine, the assessee is further submitting analysis of bank accounts in the case of following depositors :-

(1) Aruna Ben Lalit Bhai Soni : Rs. 7,00,000

Copy of bank account with Karur Vysya Bank for the period 14/9/2020 to 26/5/2021 is available on Paper Book. The examination of the bank account reveals that there is credit of Rs. 5,27,500/- on 9/10/2020 and on 13/10/2020, advance has been made with Arham Wealth Management of Rs. 6,00,000/-. Again, there is credit of Rs. 5,00,000/- on 13/10/2020 which has been advanced to Arham Wealth Management. Again there is credit in the bank account on 14/10/2020 of Rs. 6,90,000/- and on this very date, amount of Rs 7,00,000/- has been advanced to Arham Wealth. The assessee has received Rs. 7,00,000/- on 26/5/2021 through RTGS against amount received on 25/5/2021 in the bank account of the depositor. The perusal of the bank account reveals that there are multiple transactions running into several lacs. Further, there are no cash transactions. The bank account establishes the capacity of the depositor in making advance to the assessee. Further, the loan of Rs. 7,00,000/- has been repaid by the assessee on 04/01/2023 through cheque. Copy of ledger account is available on Paper Book page number cited supra. Therefore, the deposit in the hands of the assessee deserves to be accepted.

(2) Asha Sunil Bhai Rathod : Rs. 5,00,000

Copy of Bank account with Karur Vysya Bank Ltd for the period 14/11/2018 to 27/05/2021 is available on paper book. The examination of the bank account reveals that there is credit of Rs.11,80,000/- on 28/03/2019. Out of this, Rs. 11,50,000/- has been advanced on 29/03/2019 to Fortune Fincorp. Again, there is deposit of Rs.11,50,000/-, which is return of money from Fortune Fincorp on 17/3/2020, which has been advanced on 18/3/2020 to Shri Jitendra Kumar. The assessee has received Rs. 5,00,000/- on 27/5/2021 against credit in the bank account on the same date from Asha Rathod through RTGS. These facts establishes that the depositor was engaged in advancing money to several persons. The multiplicity of transactions establishes the fact that the deposit in the case of the assessee is genuine. Further, the loan of Rs. 5,00,000/- has been repaid by the assessee on 16/1/2023 through cheque. Copy of ledger account is available on Paper Book page number cited supra. Therefore, the deposit in the hands of the assessee deserves to be accepted.

(3) Balubhai Jivanbhai Narigara : Rs.6,00,000/-(S.No.12)

Copy of bank account with Federal Bank for the period 8/1/2019 to 26/5/2021 is available on Paper Book. The perusal of bank account reveals that there are credits in the bank account on 10/2/2019 of Rs.6,00,000, Rs. 2,45,000/- and Rs.

3,95,500/- . These amounts have been advanced on 13/2/2019 to Spintex through RTGS , Rs.12,40,000/-. There is again a credit of Rs. 3,46,500/- on 14/10/2020 and out of this, Rs. 1,96,500/- has been advanced to Jinal Rahul on 17/10/2020. The assessee has received Rs. 6,00,000/- on 26/5/2021 against credit of Rs. 5,99,900/- on 25/5/2021. The above details of multiple transactions fully explain the capacity of the depositor. Further, the loan of Rs.6,00,000/- has been repaid by the assessee on 28/1/2023 through banking channel. Copy of ledger account is available on Paper Book page number cited supra. Therefore, the deposit in the hands of the assessee deserves to be accepted.

(4) Bhavnaben Pravin Bhai Vaghani : Rs.6,00,000/-(S.No.18)

Copy of Bank account with Karur Vysya Bank Ltd for the period 19/9/2020 to 26/5/2021 is available on Paper Book. The examination of the bank account reveals that there is credit of Rs. 5,40,000/- on 09/10/2020 and of Rs. 3,96,000/- on 12/10/2020. Out of this, amount of Rs. 6,00,000/- has been advanced on 12/10/2020 to Arham Wealth Management. Further, there is another credit of Rs. 3,00,000/- on 13/10/2020 on account of receipt from Gujrati Textiles through RTGS. The depositor has advanced a sum of Rs. 7,00,000/- on this very date to Arham Wealth. Again on 25/5/2021, there is credit in the account of the depositor of Rs.6,00,000/- on account of receipt from Vagani Bhavnaben through RTGS. Same has been advanced to the assessee on 26/5/2021. Thus, the source of deposit of Rs. 6,00,000/- stands fully explained. Further, the loan of Rs.6,00,000/- has been repaid by the assessee on 16/1/2023 through banking channel. Copy of ledger account is available on Paper Book page number cited supra. Therefore, the deposit in the hands of the assessee deserves to be accepted.

(5) Bhumika Rakeshbhai Prajapati : Rs.6,00,000/- (S.No.19)

Copy of Bank account with Karur Vysya Bank Ltd for the period 05/01/2019 to 27/5/2021 is available on Paper Book. The examination of the bank account reveals that there is credit of Rs. 2,88,400/- on 02/04/2019, which has been advanced on 4/4/2019. Again, there is credit of Rs. 5,00,000/- on 26/4/2019 through RTGS from P.S. Traders. The depositor has again advanced this amount on 30/04/2019. There is again credit of Rs. 5,45,000/- on 15/9/2020 as received through RTGS from Navadiya Chirag and of Rs. 2,00,000/- on 16/9/2020 from Paresh Ramisha. Out of these receipts, depositor has advanced Rs. 6,00,000/- on 17/9/2020 to Unique Transactions and Rs. 2,00,000/- to Pandav on 19/9/2020. Further, there is receipt of Rs. 6,00,000/- on 26/5/2021 through RTGS from Bhumika and the same has been advanced to the assessee on 27/5/2021. The multiple transactions running into several lacs establish the financial capacity of the depositor. Further, the loan of Rs.6,00,000/- has been repaid by the assessee on 28/1/2023 through banking channel. Copy of ledger account is available on Paper Book page number cited supra. Thus, the deposit of Rs. 6,00,000/- in the hands of the assessee is fully explained and the same deserves to be accepted.

(6) Denish Rajendra Kumar Patel (Rs.6,00,000)

Copy of Bank account with Karur Vysya Bank Ltd for the period 01/08/2019 to 27/5/2021 is available on Paper Book. The examination of the bank account reveals that there are multiple credits on 09/10/2019 totalling to Rs.5,00,000/-, which has been advanced on 10/10/2019 to Paresh R Patel. Again there is credit of Rs. 5,00,000/- on 17/10/2019 from Rana N. and Rs. 5,25,000/- has been advanced to Vinov V. Patel on 19/10/2019. The bank account further reveals credit of Rs. 5,25,000/- on 10/08/2020 by way of RTGS from Vinod and the same has been advanced through RTGS to Sai Somnath Deb on 11/8/2020. Again, there are credits on 11/8/2020 of Rs. 5,00,000/- which has again been advanced on 15/9/2020 to Unique Construction through RTGS. The assessee has received Rs. 6,00,000/- on 27/5/2021 against deposit in the bank account of Rs. 6,00,000/- on 26/5/2021 through RTGS from Daimeco Patel. In view of the aforesaid facts and multiple transactions, the financial capacity of the depositor is well-established. Further, the loan of Rs.6,00,000/- has been repaid by the assessee on 30/1/2023 through banking channel. Copy of ledger account is available on Paper Book page number cited supra. Therefore, the deposit in the case of the assessee of Rs.6,00,000/- deserves to be accepted as explained.

(7) Dharmesh Gordhanbhai Raval : Rs.9,00,000/-

Copy of Bank account with Karur Vysya Bank Ltd for the period 31/12/2018 to 27/5/2021 is available on Paper Book. The examination of the bank account reveals that there is deposit of Rs. 4,90,900/- on 2/4/2019 by way of clearing from Green Design. The depositor has advanced Rs. 5,00,000/- on 8/4/2019 to Mukesh Kanhiyalal Shah. Again there is a credit in the bank account on 9/4/2019 of Rs. 4,00,000/- from Ambaram Bhai Devaliya and this amount has been advanced on 10/04/2019 to Mukesh Kanhiyalal Shah. There is again a credit for Rs.2,10,500/- on 21/3/2020 which has been advanced to Dipesh Kumar N Adani on 26/3/2020. The account further reveals credits of Rs. 5,00,000/- on 21/9/2020 and the same has been advanced to Mukesh Shah on 24/9/2020. Similarly, there is credit of Rs. 3,46,500/- on 14/10/2020, which has been advanced on 17/10/2020 to Pandav, Rs.1,96,500/-. The account further reveals credit of Rs. 8,99,996/- on 26/5/2021 and this amount has been advanced to the assessee on 27/5/2021. In view of the facts discussed above and the multiple transactions running into several lacs, the financial capacity of the depositor is fully established. Further, the loan of Rs.9,00,000/- has been repaid by the assessee on 28/1/2023 through banking channel. Copy of ledger account is available on Paper Book page number cited supra. The deposit in the hands of the assessee of Rs. 9,00,000/- stands explained the same deserves to be accepted.

(8) Dimple Bhargav Bhai Sagarka : Rs.10,00,000/-

Copy of Bank account with Associate Co-operative Bank Ltd. for the period 5/2/2020 to 1/6/2021 is available on Paper Book. The examination of the bank account reveals that there is deposit of Rs. 8,00,000/- on 6/11/2020, which has been advanced on the same date to Meet Enterprises through RTGS. Again, there is receipt of Rs. 8,00,000/- on 5/2/2021 through RTGS from Meet Enterprises and the same has been advanced on 7/2/2021 to Shailesh. The perusal of the bank account further reveals deposit of Rs. 10,00,000/- on 1/6/2021 through RTGS

from MK Trading and the same has been deposited with the assessee. The transactions of heavy amount establish the financial capacity of the depositor. Further, the loan of Rs.10,00,000/- has been repaid by the assessee on 16/1/2023 through banking channel. Copy of ledger account is available on Paper Book page number cited supra. Hence, the deposit in the hands of the assessee of Rs. 10,00,000/- is fully explained and the same deserves to be accepted.

(9) Dimpleben Chintal Kumar Surati : Rs.5,00,000/-

Copy of Bank account with Surat District Co-operative Bank Ltd for the period 7/4/2021 to 24/09/2021 is available on Paper Book. The examination of the bank account reveals that there is credit of Rs. 5,27,408/- as receipt from Dhama Developers on 7/4/2021 and Rs. 5,00,000/- has been advanced on 8/4/2021 to Shreyans Jain. Further, Shreyans Jain has returned the amount on 17/4/2021 and the same has been advanced to the assessee on 19/4/2021. The trail of amount establishes that the source of deposit with the assessee is fully explained.

There are further transactions in the account as credit of Rs. 3,00,000/- on 18/6/2021 and again credit of Rs. 3,38,230/- on 7/7/2021 and Rs. 5,00,000/- on 24/9/2021. The depositor has advanced Rs 3,00,000 on 8/7/2021 to Ranchhod Bhai and Rs. 5,00,000/- to Dharma Impex on 24/9/2021. It is submitted that the bank account establishes the fact that the deposit with the assessee is not the lone transaction in the bank account of the depositor. The multiple transactions running into several lacs also establish beyond doubt the financial capacity of the depositor. Further, the loan of Rs.5,00,000/- has been repaid by the assessee on 31/1/2023 through banking channel. Copy of ledger account is available on Paper Book page number cited supra. Therefore, the deposit in the hands of the assessee deserves to be accepted.

(10) Dinesh Bhai Raman Bhai Bariya : Rs.9,80,000

Copy of Bank account with Bank of India for the period 1/4/2021 to 14/8/2021 is available on Paper Book. The examination of the bank account reveals that there is credit of Rs. 15,65,374/- on 23/6/2021 as received through RTGS from Unique Const. The amount has been advanced on 25/6/2021 to various parties. There is again a credit of Rs. 4,91,000/- on 27/6/2021 and Rs. 4,90,000/- has been advanced to the assessee on 29/6/2021. Again there is a deposit of Rs. 4,89,000/- in the account on 30/6/2021 through RTGS and on 1/7/2021, Rs. 4,90,000/- has been advanced to the assessee. The multiple transactions running into several lacs establish the financial capacity of the depositor. Further, there are no cash deposits in the bank account. Further, the loan of Rs.9,80,000/- has been repaid by the assessee on 08/02/2023 through banking channel. Copy of ledger account is available on Paper Book page number cited supra. In view of this, the amount deposited with the assessee is fully explained and the same deserves to be accepted.

(11) Dinesh Bhai Velabhai Bavariya : Rs. 9,11,500/-

Copy of Bank account with Associate Co-operative Bank Ltd. for the period Nov. 2020 to 30/06/2021 is available on Paper Book. The examination of the bank

account reveals that there is credit of Rs. 6,00,000/- in Nov. 2020 and the same has been advanced to Meet Enterprises. Again there are credits of Rs. 2,00,000/-, Rs. 2,00,000/- and Rs. 9,00,000/- in March, 2021. Out of these deposits, Rs. 10,00,000/- has been advanced in March, 2021 to Rishab. Again there is credit of Rs. 9,11,500/- in June, 2021 as received through RTGS from MK Trading Co., which has been deposited with the assessee. Therefore, the source of amount of Rs. 9,11,500/- is well-established and the same deserves to be accepted. Further, the multiple transactions running into several lacs also establish the financial capacity of the depositor. Further, the loan of Rs.9,11,500/- has been repaid by the assessee on 16/1/2023 through banking channel. Copy of ledger account is available on Paper Book page number cited supra. Therefore, the deposit in the hands of the assessee deserves to be accepted.

(12) Divyesh K Kania : Rs. 5,00,000/-

Copy of Bank account with Karur Vysya Bank for the period 1/8/2019 to 31/5/2021 is available on Paper Book. The examination of the bank account reveals the following credits and debits :-

Name of party	Date	Deposited in bank account (Cr)	Withdrawn from the bank account (Dr.)
Narayan Impex	22/10/2019	2,65,000	
RN Enterprises	22/10/2019	2,30,000	
S&L Impex	24/10/2019		5,00,000
Bhoomik	24/10/2019	5,00,000	
S&L Impex	25/10/2019		5,00,000
Apex Traders	19/12/2019	5,00,000	
Sanol Impex	20/12/2019		5,00,000
Kania Divya	29/5/2021	5,00,000	
Oliria Foods	31/5/2021		5,00,000

The above transactions in the bank account establish the financial capacity of the depositor. There are no cash deposits in the bank account. The deposit with the assessee is not the lone transaction in the bank account. Further, the loan of Rs.5,00,000/- has been repaid by the assessee on 28/1/2023 through banking channel. Copy of ledger account is available on Paper Book page number cited supra. In view of this, deposit with the assessee is fully explained and the same deserves to be accepted.

(13) Gelabai Krashnbhai Kateshiya : Rs 10,50,500/-

Copy of Bank account with Associate Co-operative Bank Ltd for the period 23/4/2021 to 03/03/2022 is available on Paper Book. The examination of the bank account reveals that besides the transaction of deposit with the assessee, the depositor has also advanced Rs.8,00,000/- on 3/3/2022 to FCB Design. Thus, this fact establishes the financial capacity of the depositor. The deposit in the hands of the assessee stands fully explained. Further, the loan of Rs.10,50,000/- has been repaid by the assessee on 10/1/2023 through banking channel. Copy of ledger account is available on Paper Book page number cited supra. Therefore, the deposit in the hands of the assessee deserves to be accepted.

(14) Harish Somabhai Parmar : Rs. 7,50,000/-

Copy of Bank account with Bank of India for the period 1/4/2021 to 13/8/2021 is available on Paper Book. The examination of the bank account reveals the following credits and debits :-

Name of party	Date	Deposited in bank account (Cr)	Withdrawn from the bank account (Dr.
Unique Construction	12/5/2021	8,25,575	
Shah Harsh Rakesh Kr.	17/5/2021		1,75,000
Suresh Bharat Bhai	17/5/2021		1,80,000
Chintan Bhai	17/5/2021		1,90,000
Ashok Damji Bhai	17/5/2021		2,05,000
Ashok Damji Bhai	18/5/2021	2,05,000	
Shah Harsh Rakesh Kr	18/5/2021	1,75,000	
Chintan Bhai	18/5/2021	1,90,000	
Suresh Bharat Bhai	18/5/2021	1,80,000	
Oliria Foods	20/5/2021		4,00,000
Oliria Foods	21/5/2021		3,50,000

The above transactions in the bank account establish the financial capacity of the depositor. There are no cash deposits in the bank account. The deposit with the assessee is not the lone transaction in the bank account. Further, the loan of Rs.7,50,000/- has been repaid by the assessee on 31/1/2023 through banking channel. Copy of ledger account is available on Paper Book page number cited supra. Therefore, the deposit in the hands of the assessee deserves to be accepted.

(15) Harshaben Ghanshyam Bai Patel : Rs. 9,80,000

Copy of Bank account with Bank of India for the period 11/6/2020 to 07/08/2021 is available on Paper Book. The examination of the bank account reveals the following credits and debits :-

Name of party	Date	Deposited in bank account (Cr)	Withdrawn from the bank account (Dr.)
Sumangal Infra	7/10/2020	5,54,968	
Alpha Infra	8/10/2020		5,00,000
Vara	17/6/2021	11,77,916	
Arvindhbai Dhirubhai	19/6/2021		2,50,000
Hariya Vinabehan	19/6/2021		3,00,000
Harvind Kr. Nagardas	19/6/2021		3,00,000
Jitendra Mafatlal	19/6/2021		3,00,000
RTGS PNB	28/6/2021	4,95,000	
Oliria Foods	29/6/2021		4,90,000
NEFT Jio	29/6/2021	4,85,000	
Oliria Foods	1/7/2021		4,90,000

The above transactions in the bank account establish the financial capacity of the depositor. There are no cash deposits in the bank account. The deposit with the assessee is not the lone transaction in the bank account. Further, the loan of Rs.9,80,000/- has been repaid by the assessee on 09/02/2023 through banking channel. Copy of ledger account is available on Paper Book page number cited supra. Therefore, the deposit in the hands of the assessee deserves to be accepted.

(16) Jagruti Ben Dinesh Bhai Bariya : Rs. 9,00,000/-

Copy of Bank account with Bank of India for the period 23/4/2021 to 20/06/2021 is available on Paper Book. The examination of the bank account reveals the following credits and debits :-

Name of party	Date	Deposited in bank account (Cr)	Withdrawn from the bank account (Dr.
Unique Constructions	18/5/2021	9,36,145	
Oliria Foods	20/5/2021		4,50,000
Oliria Foods	21/5/2021		4,50,000
Panchani Ramesh Bhai	17/8/2021	11,98,019	
GIT Creations	19/8/2021		1,72,000
Pragati Developers	19/8/2021		4,95,000
Pragati Developers	20/8/2021		4,55,000

The above transactions in the bank account establish the financial capacity of the depositor. There are no cash deposits in the bank account. The deposit with the assessee is not the lone transaction in the bank account. Further, the loan of Rs.9,00,000/- has been repaid by the assessee on 16/1/2023 through banking channel. Copy of ledger account is available on Paper Book page number cited supra. Therefore, the deposit in the hands of the assessee deserves to be accepted.

(17) Jayanti Bhai Prajapati : Rs. 6,00,000

Copy of Bank account with Karur Vysya Bank for the period 01/04/2020 to 31/5/2021 is available on Paper Book. The examination of the bank account reveals the following credits and debits :-

Name of party	Date	Deposited in bank account (Cr)	Withdrawn from the bank account (Dr.
Azlon Textiles	14/10/2020	15,00,000	
Arham Wealth Management	14/10/2020		5,00,000
Arham Wealth Management	14/10/2020		10,00,00
Ganesh Electricals P. Ltd	2/2/2021	8,41,500	
Kavin Kumar Choksi	2/2/2021		8,41,500
Prajapati Jayanti Bhai	29/5/2021	6,00,000	

Oliria Foods	31/5/2021		6,00,000
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The above transactions in the bank account establish the financial capacity of the depositor. There are no cash deposits in the bank account. The deposit with the assessee is not the lone transaction in the bank account. Further, the loan of Rs.6,00,000/- has been repaid by the assessee on 28/1/2023 through banking channel. Copy of ledger account is available on Paper Book page number cited supra. Therefore, the deposit in the hands of the assessee deserves to be accepted.

(18) Jinal Rahul Rajput : Rs. 7,00,000/-

Copy of Bank account with Surat Peoples Co-operative Bank Ltd. for the period 07/11/2019 to 1/6/2021 is available on Paper Book. The examination of the bank account reveals the following major credits and debits :-

Name of party	Date	Deposited in bank account (Cr)	Withdrawn from the bank account (Dr.
By Clg	30/06/2020	2,50,000	
RTGS Paraesh Ramjibhai Patel	16/10/2020	5,15,587	
Balubhai Jivanbhai Nariga	17/10/2020	1,96,500	
Unique Const	19/10/2020		7,00,000
Tr.	1/6/2021	6,99,675	
Oliria Foods	1/6/2021		7,00,000

The above transactions in the bank account establish the financial capacity of the depositor. There are no cash deposits in the bank account. The deposit with the assessee is not the lone transaction in the bank account. Further, the loan of Rs.7,00,000/- has been repaid by the assessee on 28/1/2023 through banking channel. Copy of ledger account is available on Paper Book page number cited supra. Therefore, the deposit in the hands of the assessee deserves to be accepted.

(19) Kajal Balubhai Prajapati : Rs. 10,50,000

Copy of Bank account with Karur Vysya for the period 28/3/2020 to 1/6/2021 is available on Paper Book. The examination of the bank account reveals the following major credits and debits :-

Name of party	Date	Deposited in bank account (Cr)	Withdrawn from the bank account (Dr.
M/s Green Design	2/7/2020	2,00,000	
Rahul Bhai	8/7/2020		2,00,000
Gordhan	9/11/2020	3,83,000	
Petiga	9/11/2020	1,17,000	
Piyush	9/11/2020		5,00,000
Ben Prajapati	1/6/2021	8,00,000	
Oliria Foods	1/6/2021		8,00,000
Gordha	1/6/2021	2,00,000	
Oliria Goods	1/6/2021		2,50,000

The above transactions in the bank account establish the financial capacity of the depositor. There are no cash deposits in the bank account. The deposit with the assessee is not the lone transaction in the bank account. Further, the loan of Rs.10,50,000/- has been repaid by the assessee on 04/1/2023 through banking channel. Copy of ledger account is available on Paper Book page number cited supra. In view of this, deposit with the assessee is fully explained.

(20) Kalaben Hareshbhai Prajapati : Rs. 5,00,000

Copy of Bank account with Andhra Bank for the period 27/6/2019 to 09/08/2021 is available on Paper Book. The examination of the bank account reveals the following major credits and debits :-

Name of party	Date	Deposited in bank account (Cr)	Withdrawn from the bank account (Dr.
Bhara	11/9/2019	5,00,000	
Bharat	12/9/2019		2,00,000
Bharat	12/9/2019		3,00,000
Bhara	16/9/2019	4,00,000	
Javan	16/9/2019	5,00,000	
Bharat	17/9/2019		3,50,000
Bharat	17/9/2019		2,25,000

Bharat	17/9/2019		3,25,000
Neft SPCEN.	29/5/2021	5,00,000	
Oliria	31/5/2021		5,00,000

The above transactions in the bank account establish the financial capacity of the depositor. There are no cash deposits in the bank account. The deposit with the assessee is not the lone transaction in the bank account. Further, the loan of Rs.5,00,000/- has been repaid by the assessee on 30/1/2023 through banking channel. Copy of ledger account is available on Paper Book page number cited supra. Therefore, the deposit in the hands of the assessee deserves to be accepted.

(21) Kalpna S. Rathod : Rs. 5,00,000

Copy of Bank account with Federal Bank for the period 15/4/2019 to 1/6/2021 is available on Paper Book. The examination of the bank account reveals the following major credits and debits :-

Name of party	Date	Deposited in bank account (Cr)	Withdrawn from the bank account (Dr.
Ashok Bhai	10/09/2019	5,50,000	
Bharat Kanhialal Shah	11/09/2019		2,50,000
Kanhialal Shah	11/6/2019		3,00,000
Shantiben	16/9/2019	6,00,000	
Javanji	16/9/2019	4,00,000	
Kanhialal Shah	17/9/2019		2,75,000
Kanhialal Shah	17/9/2019		3,25,000
Kanhialal Shah	17/9/2019		4,00,000
Diamosco	1/6/2021	5,00,000	
Oliria	1/6/2021		5,00,000

The above transactions in the bank account establish the financial capacity of the depositor. There are no cash deposits in the bank account. The deposit with the assessee is not the lone transaction in the bank account. Further, the loan of Rs.5,00,000/- has been repaid by the assessee on 30/1/2023 through banking channel. Copy of ledger account is available on Paper Book page number cited supra. Therefore, the deposit in the hands of the assessee deserves to be accepted.

(22) Mitesh Shah HUF : Rs. 13,00,000

Copy of Bank account with ICICI Bank for the period 15/4/2019 to 1/4/2020 to 13/8/2021 is available on Paper Book. The examination of the bank account reveals the following major credits and debits :-

Name of party	Date	Deposited in bank account (Cr)	Withdrawn from the bank account (Dr.
Paresh Ramjibhai Patel	31/8/2020	5,10,750	
Bhagal	1/9/2020		1,45,000
Kalpesh Gamnilal	2/9/2020		1,85,000
Nitesh Bhai Raman Bhai	2/9/2020		1,80,000
Harsidhu Industries	24/12/2020	5,00,000	
Bhagal	28/12/2020		2,50,000
Bhagal	29/12/2020		2,60,000
TU Builders	21/4/2021	6,00,000	
T. RTGS	22/4/2021	2,00,000	
Oliria Foods	23/4/2021		8,00,000
RTGS SPCBR	25/5/2021	4,99,996	
Oliria Foods	26/5/2021		5,00,000
G Mistry Associates	13/8/2021	6,98,420	

The above transactions in the bank account establish the financial capacity of the depositor. There are no cash deposits in the bank account. The deposit with the assessee is not the lone transaction in the bank account. Further, the loan of Rs.13,00,000/- has been repaid by the assessee on 13/02/2023 through banking

channel. Copy of ledger account is available on Paper Book page number cited supra. Therefore, the deposit in the hands of the assessee deserves to be accepted.

(23) Prakash Bhai Khimjibai Patel : Rs. 9,50,000/-

Copy of Bank account with Associate Co-operative Bank Ltd for the period 1/12/2020 to 6/9/2021 is available on Paper Book. The examination of the bank account reveals the following major credits and debits :-

Name of party	Date	Deposited in bank account (Cr)	Withdrawn from the bank account (Dr.
Th. RTGS	1/3/2021	10,00,000	
Monica Fab.	1/3/2021		10,00,000
Blue Moon Textiles	3/4/2021	7,00,000	
Haripriya	3/4/2021		7,00,000
Shiv Enterprises	5/5/2021	9,52,070	
Oliria Foods	5/5/2021		9,50,000
RTGS	6/9/2021	11,30,654	
Haripriya	6/9/2021		11,30,000

The above transactions in the bank account establish the financial capacity of the depositor. There are no cash deposits in the bank account. The deposit with the assessee is not the lone transaction in the bank account. Further, the loan of Rs.9,50,000/- has been repaid by the assessee on 30/1/2023 through banking channel. Copy of ledger account is available on Paper Book page number cited supra. Therefore, the deposit in the hands of the assessee deserves to be accepted.

(24) Pravinbhai Dhirubhai Prajapati : Rs. 5,00,000

Copy of Bank account with Surat District Co-operative Bank Ltd for the period 5/4/2021 to 4/10/2021 is available on Paper Book. The examination of the bank account reveals the following major credits and debits :-

Name of party	Date	Deposited in bank account (Cr)	Withdrawn from the bank account (Dr.
Dhami Developers	5/4/2021	5,27,319	

Shreyans Jain	8/4/2021		5,00,000
Shreyans Jain	17/4/2021	5,00,000	
Oliria Foods	19/4/2021		5,00,000
Sandeepbhai Jayantbhai	26/8/2021	7,63,190	
Pragati Developers	31/8/2021		7,50,000
Unique Const.	30/9/2021	10,00,000	
Pragati Dev.	4/10/2021		10,00,000

The above transactions in the bank account establish the financial capacity of the depositor. There are no cash deposits in the bank account. The deposit with the assessee is not the lone transaction in the bank account. Further, the loan of Rs.5,00,000/- has been repaid by the assessee on 06/1/2023 through banking channel. Copy of ledger account is available on Paper Book page number cited supra. Therefore, the deposit in the hands of the assessee deserves to be accepted.

(25) Tejabhai Ratanbhai Rajput : Rs. 8,00,000/-

Copy of Bank account with Associate Co-operative Bank Ltd for the period 30/09/2019 to 25/5/2021 is available on Paper Book. The examination of the bank account reveals the following major credits and debits :-

Name of party	Date	Deposited in bank account (Cr)	Withdrawn from the bank account (Dr.)
Starworld	5/3/2021	10,17,206	
Bandhan FTL	6/3/2021		9,00,000
Th. RTGS	6/5/2021	8,00,000	
Oliria Foods	25/5/2021		8,00,000

The above transactions in the bank account establish the financial capacity of the depositor. There are no cash deposits in the bank account. The deposit with the assessee is not the lone transaction in the bank account. Further, the loan of Rs.8,00,000/- has been repaid by the assessee on 19/1/2023 through banking channel. Copy of ledger account is available on Paper Book page number cited

supra. Therefore, the deposit in the hands of the assessee deserves to be accepted.

(26) Upendra Somabhai Paramar : Rs. 8,00,000/-

Copy of Bank account with Bank of India for the period 1/4/2021 to 23/8/2021 is available on Paper Book. The examination of the bank account reveals the following major credits and debits :-

Name of party	Date	Deposited in bank account (Cr)	Withdrawn from the bank account (Dr.)
Vara	17/6/2021	9,42,333	
S.C. Patel	18/6/2021		1,00,000
HS Parmar	18/6/2021		1,00,000
Amruta Enterprises	19/6/2021		45,000
Hemant Kr. Mafatlal	19/6/2021		2,00,000
Ashwani Nagbhai	19/6/2021		2,00,000
Vinod Sambhai	19/6/2021		2,50,000
S.O.L Limited	28/6/2021	4,94,000	
Oliria Foods	29/6/2021		4,90,000
S.O.L. Ltd	29/6/2021	4,06,000	
Oliria Foods	1/7/2021		4,10,000

The above transactions in the bank account establish the financial capacity of the depositor. There are no cash deposits in the bank account. The deposit with the assessee is not the lone transaction in the bank account. Further, the loan of Rs.8,00,000/- has been repaid by the assessee on 31/1/2023 through banking channel. Copy of ledger account is available on Paper Book page number cited supra. Therefore, the deposit in the hands of the assessee deserves to be accepted.

(27) Variya Kanteben Vikrambhai : Rs. 7,00,000/-

Copy of Bank account with Karur Vysya Bank for the period 24/8/2020 to 1/6/2021 is available on Paper Book. The examination of the bank account reveals the following major credits and debits :-

Name of party	Date	Deposited in bank account (Cr)	Withdrawn from the bank account (Dr.
Gujari Textiles	13/10/2020	9,00,000	
Tara Patel	13/10/2020	5,00,000	
Arham Wealth Management	13/10/2020		8,00,000
Anil Bhai	14/10/2020	1,00,000	
Arham Wealth Management	14/10/2020		7,00,000
Variya Kant	1/6/2021	6,99,999	
Oliria Foods	1/6/2021		7,00,000

The above transactions in the bank account establish the financial capacity of the depositor. There are no cash deposits in the bank account. The deposit with the assessee is not the lone transaction in the bank account. Further, the loan of Rs.7,00,000/- has been repaid by the assessee on 30/1/2023 through banking channel. Copy of ledger account is available on Paper Book page number cited supra. Therefore, the deposit in the hands of the assessee deserves to be accepted.

(28) Vihabhai Gagabhai Luhar : Rs. 7,00,000/-

Copy of Bank account with Associate Co-operative Bank Ltd for the period 4/12/2020 to 25/5/2021 is available on Paper Book. The examination of the bank account reveals the following major credits and debits :-

Name of party	Date	Deposited in bank account (Cr)	Withdrawn from the bank account (Dr.
Th.RTGS	23/2/2021	6,00,000	
Jalondhara	23/2/2021		6,00,000
RTGS	24/2/2021	8,00,000	
Neft Real Stars	24/2/2021		8,00,000
Th. RTGS	1/3/2021	5,00,000	
Babu Bhai	5/3/2021		5,00,000
MK Trading	25/5/2021	7,00,000	
Oliria	25/5/2021		7,00,000

The above transactions in the bank account establish the financial capacity of the depositor. There are no cash deposits in the bank account. The deposit with the assessee is not the lone transaction in the bank account. Further, the loan of Rs.7,00,000/- has been repaid by the assessee on 19/1/2023 through banking channel. Copy of ledger account is available on Paper Book page number cited supra. Therefore, the deposit in the hands of the assessee deserves to be accepted.

The above transactions in the bank account establish the financial capacity of the depositor. There are no cash deposits in the bank account. The deposit with the assessee is not the lone transaction in the bank account. In view of this, deposit with the assessee is fully explained.

SCRUTINY OF THE BANK ACCOUNTS ESTABLISHES GENUINENESS OF THE DEPOSITS

It is submitted that the examination of the bank accounts both of those which were discussed by the Learned Assessing Officer in the assessment order numbering nine and other bank accounts which have been discussed above numbering 28 disclose the following features, which establish that the depositors were genuine and not entry providers. All the depositors were in a capacity a deposit amount with the assessee. These features are discussed hereunder :-

1. It is submitted that assessee is not the only person who has received deposits from the above depositors. The scrutiny of the bank accounts, as discussed above, reveals that most of these depositors have advanced money to big and well-known concerns, like, Arham Wealth Management, Unique Construction etc. The name of these well-known concerns give credibility to the depositors. It is not the case of the revenue that deposits advanced by these depositors to persons like Arham Wealth Management or Unique Construction was also treated unexplained. It is further submitted that the Learned Assessing Officer treated the depositors as entry providers just on the basis of assumption and presumption.

2. It is further submitted that in his observations, the Learned Assessing Officer has stated that the bank account of these depositors revealed that except the deposits with the assessee, the other transactions in the bank account were of very small amount. But this observation of the Learned Assessing Officer is far from truth. The scrutiny of the various bank accounts, as discussed above, reveals that in almost all the bank accounts, it is apparent that money has been advanced to several persons in addition to the assessee. Further, the transactions are not of small amounts, but are of several lacs. Thus, it is established beyond doubt that the Learned Assessing Officer on a wrong basis treated the depositors as name-lenders or entry providers.

3. The Learned Assessing Officer has not brought any material on record to establish that there was round-tripping of money. It is no the case of the Learned

Assessing Officer that cash was paid to these persons in lieu of obtaining deposits. The Learned Assessing Officer has wrongly observed that loans have been advanced to the assessee in an unusual manner. The Learned Assessing Officer has not explained that how the deposits with the assessee were in an unusual manner. It is further submitted that the transactions in the bank account are through RTGS, which is an approved electronic mode of transferring money. There is nothing unusual in transferring money through RTGS.

4. The scrutiny of all these bank accounts discussed above further establishes that before advancing money to the assessee, there was no deposit in cash in the bank account. All major transactions in the bank account are through electronic mode of transfer. The mode of transfer is beyond suspicion.

5. It is further submitted that in a large number of cases, the copies of bank accounts submitted are for a year or more. Therefore, it cannot be said that bank account was just opened for advancing money to the assessee. The bank accounts of the depositors are of regular nature and these are in various banks and not in one bank. This also establishes that money received by the assessee was in a normal and regular course and not in arranged manner.

6. It is further submitted that as per copy of ledger accounts, the money received by the assessee has been returned in the subsequent years. Returning money further establishes that the deposits received by the assessee were genuine.

7. In view of these facts, the deposits may kindly be treated as genuine. The additions have been made in a most unusual manner. The Learned Assessing Officer has examined the bank accounts only of few depositors (only eight depositors) and that too faultily. Then addition has been made in the case of 121 depositors more on the basis of suspicion, assumption and presumption. It is settled principle of law that suspicion, however strong cannot take the place of evidence. The following cases are quoted in support :-

- (i) Uma Charan Shaw & Brothers 37 ITR 271 (SC)
- (ii) CIT vs. Anupam Kapoor 299 ITR 179 (P&H)
- (iii) CIT vs. Dhiraj Lal Girdhari Lal 26 OTR 736
- (iv) Dhakeshwari Cotton Mills 26 ITR 775 (SC)
- (v) State vs. Gulzari Lal Tondon 1979 AIR 1382 (SC)
- (vi) J.A. Naidu vs. State of Maharashtra 1979 AIR 1537 (SC)

From the discussion made above, it may kindly be seen that :-

- (1) All the creditors are assessed to income and they are borne on the register of the Income Tax Department, having Permanent Account Number.
- (2) In the case of every creditor, the amount has been received through banking channel
- (3) All of them are assessed to income-tax and filing regular returns of income.
- (4) Thus, their identity, creditworthiness and genuineness of transaction stands established.
- (5) Further the amount of loan has been repaid by the assessee through banking channel on subsequent years.

(6) The Id.AO has made the addition on the basis of suspicion, surmises and conjectures.

In view of the above facts and the legal position, it was wrong on the part of the Id. AO to state their identity, creditworthiness and genuineness of transaction is not established. It is, therefore, requested that the addition made by the Id.AO deserves to be deleted.

Favourable case laws

In support of the submissions made above, wherein it has been strongly pleaded that the assessee has received unsecured loans money from persons who are having PAN, who have given the loans through banking channels, the identity of the creditors is not in doubt, they are filing income tax returns regularly, in view of this, the unsecured loan received from them deserves to be accepted as explained, the assessee quotes the following decisions :-

(1) COMMISSIONER OF INCOME TAX vs. ORISSA CORPORATION (P) LTD. SUPREME COURT OF INDIA (1986) 52 CTR 0138, (1986) 159 ITR 0078,

Held

Income—Cash credit—Burden of proof—Assessee had given the names and addresses of the creditors—It was in the knowledge of the Revenue that the said creditors were income-tax assesseees—Their index number was in the file of the Revenue—Revenue, apart from issuing notices under s. 131 at the instance of the assessee, did not pursue the matter further—Revenue did not examine the source of income of the said alleged creditors to find out whether they were creditworthy or were such who could advance the allowed loans—Tribunal came to the conclusion that the assessee has discharged the burden that lay on him then it could not be said that such a conclusion was unreasonable or perverse or based on no evidence—

(2) Aravali Trading Co. V/s ITO (2008) 8 DTR (Raj) 199 Hon'ble Rajasthan High Court

The Hon'ble High Court held that once the the existence of the creditors is proved and such person own the credits which are found in the books of the assessee, the assessee's onus stand discharged and the latter is not further required to prove the source from which the creditors could have acquired the money deposited with him either in terms of section 68 or on general principle.

(3) CIT Vs. Jai Kumar Bakliwal (2014) 101 DTR 377 (Raj)

Once the amount was advanced by the creditors by account payee cheque from their respective bank accounts and the creditors were being assessed to income tax, the capacity of the creditor and genuineness of the transaction stood proved. Addition u/s 68 not sustainable.

(4) Commissioner of Income Tax Vs. Heeralal Chaganlal Tak
HIGH COURT OF RAJASTHAN (2002) 176 CTR 0495, (2002) 257 ITR 0281, (2002)

Income—Cash credit—Burden of proof—Identity of the creditor is established—He has confirmed the loan—Whether the amount was advanced by the alleged

creditor or not is basically a question of fact—Tribunal is the final fact-finding body—Finding of the Tribunal accepting the genuineness of the loan and deleting the addition could not be said to be perverse.

(5) DEPUTY COMMISSIONER OF INCOME TAX vs. MAHALAXMI TMT PVT. LTD. (2021) 190 ITD 582 (ITAT, Pune)

Assessee has discharged its onus by furnishing the necessary details such as a confirmation of the parties, copy of ITR- V, copy of bank statement of parties along with their balance sheet, share certificate, MOA, AOA etc. in support of identity of the parties and genuineness of transaction and credit worthiness of the parties. Similarly, there is also no dispute to the fact that all the transactions were carried out through the banking channel. What is the inference that flows from a cumulative consideration of all the aforesaid contending facts is that the assessee has discharged its onus imposed under section 68. Accordingly the AO had a suspicion that the investors as discussed above were acting as the conduit for converting the unaccounted money of the assessee in the guise of share capital /share application money and premium on shares. Conversely the AO has not brought anything on record suggesting amount credited in the books of assessee does not belongs to respective parties but the same belongs to the assessee.

(6) Balaji Healthcare Pvt. Ltd Vs. ITO (ITA No.566&567) dated 30/1/2019 (ITAT, Jaipur)

Without examination or investigation in the case of the investors or disputing the documents or controverting the facts submitted by the assessee, the addition in the hands of the company cannot be sustained.

(7) CIT Vs. H.S. Builders 78 DTR 169 (Raj)

Deposit of cash in the account of the creditor just before giving loans to the assessee company would not lead to the conclusion that the money was deposited by the assessee company. Therefore, the ITAT was justified in deleting the addition.

(8) Lalitha Jewellery mart (P) Ltd Vs. DCIT (2018) 99 taxmann.co, 408 (Mad)

Where the assessee company had completely explained sources of investments received by it by way of share application money, it had also disclosed identity of such investors and all payments had been received through banking channels, amount of share application money could not be treated as assessee's undisclosed income under section 68.

(9) DCIT Circle 3(1)(I) vs. Orient News Prints Ltd (2018) 259 Taxman 408 (SC)

Where in order to prove the genuineness of share transactions, assessee brought on record all relevant facts, such as, names, address, PAN of share applicants, it was thereupon the duty of the AO to obtain separate confirmation from concerned

parties, if required, and where he failed to do so, it could not be a ground to re-open assessment.

In the light of discussion made above, it is clear that the Learned Assessing Officer was not justified to hold that the depositors were accommodation entry providers without bringing any material on record. The addition made by the Id. AO is illegal and unjust and based on suspicion, surmises, guesswork and conjectures and the same deserves to be deleted.

Ground No. 5 –

The assessee craves your indulgence to add, amend or alter all or any grounds of appeal before or at the time of hearing.

Not pressed.

Your Honor is requested to decide the appeal in favour of the assessee by considering the grounds and submissions made above and oblige.”

7. In addition Id. AR of the assessee also submitted an application for admitting the additional evidence which reads as under :

In the above regard it is submitted that the learned AO has completed the assessment u/s 144 of the Income Tax Act, 1961 on 16.03.2024 and the Learned CIT(A) has decided the appeal of the assessee on 17.12.2024 dismissing the same. The Learned CIT(A) has dismissed the appeal of the assessee on grounds which were not taken by the Learned Assessing Officer and which were not disclosed to the assessee also. In view of this assessee has to take additional grounds for the support of the same additional evidence is also required to be furnished. In view of this the Hon'ble Tribunal is humbly requested to admit the additional evidence which are necessary for substantiating the additional grounds arising out of the order of the Learned CIT(A). The additional evidences are part of paper book page no. 688 to 698. The additional evidences are crucial for the discharge of justice. Therefore, these may kindly be admitted.

3. The above additional evidences are essential for admitting and adjudicating the grounds taken by the assessee for imparting justice to the assessee. It also goes to the root of the matter for deciding the appeal.

4. It is further submitted that when technicalities are pitched against the substantive discharge of justice, the later has to prevail, in a case where the bonafides are not in doubt then additional evidences should be admitted. (Maruti Civil Works Vs. ITO [2011] 136 TTJ 448 [Pune]). It is further submitted that all the judicial institutions – the Hon'ble ITAT being one of them – are respected not on account of its power to legalize injustice on technical grounds but because these are capable of removing injustice. The assessee is only furnishing supporting evidences only in support of contention that the capital gain taxes on sale consideration are not chargeable in this case when the same has not been received by the seller. These are not cooked up or manipulated in any way. In view

of this the Hon'ble ITAT is requested to admit the additional evidence and consider the same favourably. The following case laws are quoted in support for the admission of the additional evidence.

5. Favourable case laws –

(i) National Thermal Power Co. Ltd. Vs. CIT (1998) 229 ITR 383 (SC)
Tribunal has jurisdiction to examine a question of law which arises from the facts as found by the authorities below and having a bearing on the tax liability of the assessee, notwithstanding the fact that same was not raised before the lower authorities.

(ii) CIT Vs. Raoraja Hanut Singh 117 Taxman 613 / 252 ITR 0528 : (Raj)

The position is that the Tribunal can admit the additional evidence if it requires it to enable it to pass orders

(iii) Electra (Jaipur) Pvt Ltd. vs. IAC 26 ITD 236

If evidence produced by assessee is genuine, reliable and proves assessee's case than assessee should not be denied opportunity of it being produced even if he first time produces same before appellate authority.

(iv) Smt. Prabhavati S. Shah Vs. CIT 231 ITR 1 (Bom.)

Production of additional evidence – assessee taking loans from two creditors – ITO treating loans as income from undisclosed sources as summons could not be served on creditors – Assessee wanting to prove genuineness of loan by relying on fact that amount borrowed and repaid by cheques. Assessee producing Photostat copies of cheques and certificate from Bank before AAC . AAC refusing to admit additional evidence. AAC should have considered evidence produced by assessee regarding loan.

(v) CIT Vs. Gani Bhai Wahab Bhai 232 ITR 900 (MP)

There is no prohibition for taking additional evidence at the appellate stage, the only condition being that the Department should not be prejudiced and should be given reasonable opportunity to rebut this additional evidence. In this case, no such request was made by the representative of the Department whether they disputed this certificate or not. Therefore, there is no illegality committed by the Tribunal which accepted the certificate of 46 per cent of the yield. In this view of the matter, the additional evidence entertained by the Tribunal cannot be said to be bad.

(vi) Smt. Surinder Kaur Vs. ITO (2008) 118 TTJ 710 (Luck)

Where additional evidence sought to be produced before Tribunal was a certificate relating to assessee's claim for deduction of a sum and if was relevant to decide

claim of assessee, same was to be admitted for substantial cause and to enable tribunal to pass appropriate order in matter.

(vii) Mascon Global Ltd. Vs. Assistant Commissioner of Income Tax (2010) 37 SOT 202 (Chennai)

Rule 29 permits the Tribunal to admit the additional evidence for any substantial cause.

In view of the aforesaid facts and decisions the Hon'ble ITAT is requested to admit the additional evidence filed by the assessee in the shape of agreement and decide the case favourably.

8. As regards the additional grounds or raised the same were supported by the following written submission :

In this case, appeal for assessment year 2022-23 stands filed on 23/12/2024 against order of the Learned CIT(A), NFAC, Delhi passed on 17/12/2024. However, while filing the appeal, due to inadvertence, following grounds could not be taken. These grounds are purely of facts on record and arise out of the order of the learned CIT(A). These additional grounds require some additional evidence for which a separate application is being filed along with this application. The admission of the additional grounds is imperative for imparting justice in the case of the assessee. Therefore, the Hon'ble Tribunal may kindly admit the additional grounds, which are as under :-

Additional Ground No.1

In the facts and in the circumstances of the case and in law, the Learned CIT(A) has erred in confirming the additions of Rs. 10,24,75,690/- on a different ground i.e. assessee failed to specify the purpose of loans without affording any opportunity to the assessee in this regard.

Additional Ground No.2

In the facts and in the circumstances of the case and in law, the Learned CIT(A) has erred in confirming the additions of Rs. 10,24,75,690/- on a different ground that assessee failed to explain the phenomenal fall in Gross Profit and Net Profit without affording any opportunity to the assessee in this regard.

The additional grounds arise out of the order of the learned CIT(A), hence, the same deserve to be admitted by the Hon'ble Bench.

The following decisions are quoted in support –

(i) National Thermal Power Co. Ltd. Vs. CIT (1998) 229 ITR 383 (SC)

The view that the Tribunal is confined only to issues arising out of appeal before the CIT(A) takes too narrow a view of the powers of the Tribunal. Undoubtedly, the Tribunal will have the discretion to allow or not allow a new ground to be raised. But where the Tribunal is only required to consider a question of law arising from the facts which are on record in the assessment proceedings such a question should be allowed to be raised when it is necessary to consider that question in order to correctly assess the tax liability of an assessee.

(ii) Ravindra Arora vs. Assistant Commissioner of Income Tax (2018) 404 ITR 452 (Rajasthan High Court)

ITAT is bound to accept additional ground if facts are on record.

(iii) Sharwan Beniwal Vs. Income Tax Officer Bikaner ITA No. 292/JU/2008 dated 14.01.2009

ITAT can admit additional ground of appeal later on in case the issue raised is legal and goes to the root of the matter.

(vi) Jora Singh Vs. ITO (2010) 42 DTR 409 (Lucknow)

Admissibility of additional ground : validity of assessment. Notice u/s 148 issued even when lime limit of issuing notice u/s 143(2) was available. A pure question of law – additional ground is admitted.

(v) CIT Vs. Kerala State Co-operative Marketing Federation Learned. (1992) 193 ITR 624 (Ker)

An appellatant before the Tribunal can raise any new or additional point for the first time in appeal before the Tribunal.

(vi) Mahindra & Mahindra Ltd. Dy. CIT (2009) 122 TTJ 577 (Mub)(SB)

Appeal (Tribunal)-Additional ground-Question of limitation-Special Bench having been constituted for deciding the question of limitation on the request of Revenue, the objection as to raising of additional ground by assessee is not maintainable now Further, there can be no embargo on any party to raise a legal ground for the first time before the Tribunal provided the relevant material for deciding that question already exists on record and no further investigation of facts is required-Question of limitation goes to the very jurisdiction of the matter-It is not only the right of the parties but also the duty of the Tribunal to consider the question of limitation notwithstanding the fact that it is not raised before it-Additional ground admitted.

(vii) Sunil Kumar Pugalia (HUF) Vs. ITO (2009) 120 TTJ 1001 (Jodh)

Appeal (Tribunal)- Additional ground-Admissibility-Ground challenging jurisdiction of AO to initiate reassessment proceedings not raised before AO or CIT(A)-Being a pure question of law can be raised before the Tribunal for the first time.

In view of the aforesaid facts, the Hon'ble Tribunal is requested to kindly admit the additional grounds.

9. To support the contention so raised in the written submission reliance was placed on the following evidence / records :

Sr. No.	Particulars	Page No.
1.	Copy of acknowledgement of return of income filed on 04/10/2022 with computation of total income	1
2.	Copy of audit report along with audited accounts	2-39
3.	Chart of 121 creditors, containing their names, complete addresses, PAN, Amount of deposit and source of deposit etc.	40-52
4.	Evidences in support of identity of the creditors, their creditworthiness and genuineness of transactions – i.e.	
(i)	Copy of confirmation of all cash-creditors.	53-172
(ii)	Copy of Income Tax returns of the cash creditors.	173-286
(iii)	Copy of bank account of the cash creditors through which the amount has been advanced to the assessee.	287-485
(iv)	Copy of ledger account showing repayment of loans to the creditors by the assessee through banking channel.	486-609
(v)	Copy of bank statement of the assessee through which the loan was repaid to the creditors.	610-679
5.	Copy of reply dated 04.03.2024 made before the Learned Assessing Officer	680-687
6.	Copy of agreement with Nakshatra Corporate Advisors Limited executed on 08.03.2021	688-693
7.	Copies of the ledger accounts of Nakshatra Corporate Advisors Limited as appearing in the books of assessee and vice-versa	694-698
8.	Copy of notice dated 21.12.2023.	699-702
9.	Copy of show cause notice issued on 21.02.2024	703-710
10.	Copy of written submission made before the Learned CIT(A)	711-779

10. The Id. AR of the assessee in addition to the above written submission so filed vehemently argued that the assessee has filed an application for raising the additional ground which are purely in technical in nature and may be admitted. As regards the taking of the loan by the assessee company it was for a business consideration as the assessee was in process to acquire a unit. The money was obtained from the unsecured sources and as that deal of acquire the unit did not materialize all the unsecured loans taken by the assessee were repaid. As is evident from the assessment order that the assessee has submitted all the required document to prove the identity, creditworthiness and genuineness of the transaction by filling the bank statement, ITR and confirmation. Ld. AO issued notice u/s. 133(6) to only 8 parties, all of them have replied out of 120 parties. As is evident from the bank statement of the one or two wherein the those creditors deposited cash and given loan to the assessee and that too was not establish any contrary to the evidence placed on record. Ld. AO made addition on different ground whereas Id. CIT(A) has considered difference aspect of the matter for which he has not given any opportunity to the assessee and has decided the appeal on difference issue for which the assessee was not given proper opportunity and thereby the order of the Id. CIT(A) is deserve to the quashed. So far as the merits of the

case the Id. AR of the assessee submitted that considering all the evidence placed on record including the additional evidence placed on record the addition made is required to be deleted. Ld. AR of the assessee also submitted that the assessee has repaid all the unsecured loans taken and therefore, considering the decision of the Hon'ble Gujarat High Court the addition made is required to be deleted.

11. The Id. DR is heard who relied on the findings of the lower authorities and more particularly advanced the similar contentions as stated in the order of the Id. CIT(A). Ld. DR so far as the issue of addition u/s. 68 of the Act vehemently argued that the bank account of all the depositors are maintained in unusual manner and all are not having the capacity to advance the loan and thus Id. DR repeated all those contentions which are recorded in the orders of the lower authority.

12. We have heard the rival contentions and perused the material placed on record. In this appeal the assessee raised technical ground as well as on the merits of the case. On merits the assessee challenges the two-addition made by the Id. AO and sustained by the Id. CIT(A).

The first addition is of Rs. 4,59,890/- made by the Learned Assessing Officer on account of business profit without considering the submission of the assessee that this difference is for sale of assets which was appearing on GST portal and in fact was not regular sale of the assessee. The relevant facts to the issue are that Id. AO noticed that during the year under consideration, the assessee has declared sales turnover to the tune of Rs. 19,85,47,600/- whereas as per 26AS details sales turnover declared by the assessee to the GST department was Rs. 19,90,07,490/-. Hence there was a difference of Rs. 4,59,890/- between the turnover declared by the assessee in its ROI filed with the revenue and turnover declared by the assessee in its GSTR-3B return filed with GST department.

Ld. AO alleged that the assessee did not provide any justification as to why there was a difference in turnover declared by it in Income tax return and GST return. Thus, the assessee was asked to reconcile and explain the difference by issue of show cause notice. In reply to the Show Cause Notice dated 21.02.2024, the assessee submitted that the difference was due to sale of fixed assets which was shown in books under the relevant head of 'Fixed Assets' in Balance sheet and thereby reconciled that turnover figure. Ld. AO noted that the assessee did not furnish any supporting documents in support of its claim. In the absence of any

conclusive documentary evidence and since the assessee has already claimed the expenditure incurred during the year, the difference in turnover, i.e. Rs. 4,59,890/- was added back to the returned income of the assessee. When the matter carried to Id. CIT(A) he has confirmed the addition by holding that *“I find there is no reflection of sale of fixed assets in the profit & loss account in the I.T Return. Therefore, I do not find any infirmity in the order of the AO in making addition of difference of Turnover i.e. Rs.4,59,890/- with the returned total income.”*

While arguing ground no. 2 the Id. AR of the assessee submitted that neither the lower authority has appreciated the facts of the case nor commented upon as to why the reconciliation of turnover as reflected in the GST record and in the books is not correct. But he simply confirmed the addition of Rs. 4,59,890/- on the ground that sales disclosed in the trading account (audited) was only Rs.19,84,96,990/- whereas in the GST return, the same was Rs. 19,90,07,490/-.

While assessment proceedings, the discrepancy was explained by the assessee stating that this was because there were sales of Rs. 5,10,500/- of fixed assets, which was not part of trading account. A chart reconciling the discrepancy was submitted during assessment proceedings,

which has been reproduced by the Learned Assessing Officer at page 5 of the assessment order which is reproduced herein below:-

Oliria Foods & Beverages Pvt Ltd A-130(H), Road No 9D, VKI Area, Jaipur		
Turnover as per Balance Sheet in audit report		19,84,96,990.00
Other Income show in Balance sheet		
1. Duty Draw Back	810.00	
2. Interest income on FDR	44,142.00	
3. Interest on Security Dep with JVVNL	5,653.00	50,605.00
Total		19,85,47,595.00
Turnover as per GST Return		19,90,07,490.00
Less Fixed Assets sales trf to relvant head		
1. Vibrating Screen, Mixer, Convayer & Pulver	1,10,000.00	
2. Electric Transformer	4,00,500.00	5,10,500.00
Net Turnover		19,84,96,990.00

Both the lower authority confirmed that addition on the grounds that the assessee could not support this contention with the evidence and therefore, the difference of turnover was added as income of the assessee. The above reconciliation so relied and available on record shows that both the turnover will never match as the GST records shows the business sales plus capital assets sales. Whereas in income tax turnover for business sales is routed through the Profit and loss account and sale of capital

assets is adjusted in the fixed assets balance in the balance sheet. Thus, Id. AO derived the difference of Rs. 4,59,890/- plus other income of Rs. 50,605/- as reflected in the above chart if added the actual difference to Rs. 5,10,495/- and the assessee shows they sold the vibrating machine sales and electric transformers for that amount of Rs. 5,10,500/- as reflected. Thus while reconciling the turnover of the GST both records need to be considered which is getting verified from the records already placed on record. Therefore, we see no reasons to confirm that addition and therefore, the same is directed to be deleted. Based on this observation, ground no. 2 raised by the assessee is allowed.

13. Now coming to the ground no. 3 & 4 thereby the assessee challenges the addition of Rs. 10,24,75,690/- made by the Id. AO u/s. 68 of the Act. The brief facts on the issue are that the Id. AO noted that during the year under consideration, the assessee company has availed fresh unsecured loan of Rs. 10,24,75,690/- from its directors or shareholders. In response to the notice u/s 142(1) of the I.T. Act, the assessee furnished ledger, copy of ITR and bank account statement in confirmation of loan availed. The assessee vide its response to SCN also, furnished all the details for those 120 loan creditors. But Id. AO noted that the genuineness of the transaction

and creditworthiness of the lenders were not established. While in assessment proceeding Id. AO to test check those loan creditors a letter u/s. 133(6) of the Act was issued to 8 persons, out of 120 creditors. In that letter issued to those 8-person Id. AO asked them to provide the ledger of the assessee in their books of account, bank statement along with other details were sought and the compliance was to be made by 10.02.2024. In response to the notice issued u/s 133(6) of the Act, replies have been received from all the above 8 persons.

On examination of the bank account statement of the lenders, Id. AO noticed that lending of unsecured loan to the assessee is done in an unusual manner and thereby he discussed all that observation in the assessment order that there are transaction of exact value or near to the value is deposited in the lender's bank account and immediately transferred to the bank account of the assessee. He also noted that all the transactions in the bank account of the lender were very small monetary value, and they have filed the ITR in the range of Rs. 3,00,000/- to Rs. 4,00,000/-. ITR and bank account statement of some of the lenders submitted by the assessee were reproduced in the order of the assessment vide page 6 to 28 by the Id. AO. On that test check result Id. AO noted that all the lenders have acted as accommodation entry providers as the creditworthiness of the lenders and

genuineness of unsecured loans could not be ascertained. The transactions are not normal business transactions. The assessee also did not explain the nature of these unsecured loans nor furnished complete documents. Therefore, it is reasonably concluded that the unsecured loans to the tune of Rs. 10,24,75,690/- are nothing but accommodation entries. Having observed so Id. AO issued a show cause notice dated 21.02.2024 and the assessee furnished the reply on 04.03.2024. Ld. AO considered the reply of the assessee and found that the same were not acceptable based on those reasons as discussed herein above. Hence, he holds that the transaction of accommodation entry in the form of unsecured loan to the tune of Rs. 10,24,75,690/- during the A.Y. 2022-23 and was added as the income of the assessee u/s. 68 of the Act.

When the matter was carried before the Id. CIT(A) he confirmed the addition on a different ground holding that the assessee failed to specify the purpose of loans without affording any opportunity to the assessee. Ld. CIT(A) also taken a view to confirm that the addition is required to be confirmed as the assessee failed to explain the phenomenal fall in Gross profit and net profit without affording any opportunity to the assessee in this regard and he has not discussed as to whether the addition made u/s. 68 is

considering the submission of the assessee is required to be sustained or not.

The assessee challenged that order of the Id. CIT(A) which was on the different finding than that of the Id. AO. To challenge that finding the assessee raised additional ground to challenge that finding. While doing so Id. AR of the assessee submitted that the Id. CIT(A) though indirectly admitted that all the unsecured loans are duly supported by the confirmation, Bank statement and ITR of the depositor and therefore, he has confirmed the addition without giving proper opportunity to the assessee on a difference facts and contention which were never confronted to the assessee. Be that it so may so the bench is of the view that when the assessee has provided the details so as to prove the identity, genuineness and credit worthiness there is no reason to sustain the addition on the other ground. The reasons discussed by the Id. CIT(A) were raised in the assessment order and the Id. CIT(A) has not given an opportunity to be heard to the assessee before holding so and even the Id. CIT(A) has not rejected the book results before commenting upon those results for challenging the gross profit and net profit supported by the audited books of accounts under the income tax Act as well as under the companies Act.

The assessee in support of the ground [including the additional ground] submitted that the assessee proved that legal liability casted upon by the Act so as to prove the identity, genuineness and creditworthiness were proved by placing on record the confirmation [paper book page 53-172], bank statement [paper book page 287-485] and ITR [paper book page 173-286] which will prove the primary burden cast upon the assessee. The assessee filed all the document by a paper book and Id. AO through the Id. DR did not object on any of the records and therefore, there is no reason to that the assessee has not filed all the records to prove the burden cast upon them. Even Id. AO issued 133(6) letters asking for the details which were complied by all the 8 parties out of 120 depositors details available with the Id. AO. The assessee further submitted that the use of funds obtained by way of unsecured loans were required to be used for acquiring an unit which was available on stress sale. But since the deal could not be materialized the assessee repaid those amounts so taken and for that ledger accounts were placed on record [paper book page 486-609]. The assessee has also placed on record copy of bank account from where those loans were repaid [paper book page 610-679]. Even the assessee placed on record the purpose of the taking huge loan by placing on record the agreement with Nakshatra Corporate Advisers Private Limited [page

688-693] and ledger account [page 694-698] as additional evidence so as to counter the other finding of the Id. CIT(A) that the assessee used the fund to reduce the gross profit and net profit because Id. CIT(A) has not commented upon the evidence so submitted about all the unsecured loan creditors. The bench feels that the additional evidence so filed is in support of the contention already on record. Thus, we admit those additional evidence and considered to decide the appeal because Id. CIT(A) has not given an opportunity to the assessee on this matter those record were not filed. As repayment issue is already discussed by the Id. CIT(A) [page 85 last para] those records were not considered as additional evidence. As is evident from the record that the assessee has repaid all those unsecured loans which proves that loans were taken from the identified persons / entities. Id. CIT(A) has not commented upon as to why and how when the assessee has placed on record all the documents which are required under law are not correct and he went on to confirm the addition on difference facts shows that even he has not commented on the veracity of the evidence placed on record. Considering the overall facts placed on record and as relied by the Id. AR of the assessee on the decision our own Hon'ble Rajasthan High Court in the case of Aravali Trading Co. V/s ITO (2008) 8 DTR (Raj) 199 wherein High Court held that ;

21. Accordingly the Tribunal, and the Assessing Officer had seriously erred and misdirected themselves in law by not correctly appreciating the legal principle about necessity of establishing such nexus once the assessee has discharged his onus by proving the existence of the depositors and the depositors having accepted their deposits with the assessee. Once this onus is discharged the presumption raised under section 68 stands rebutted and it becomes burden of revenue to prove that source of such deposits is traceable to assessee before the same can be treated as undisclosed income of the assessee concerned.

Thus, we note that the assessee has proved discharge their burden and the revenue could not bring anything contrary no addition can be sustained as held by our own High Court. Looking to the other aspect as argued that that the assessee has repaid all the unsecured loan so taken and therefore, even as held by Hon'ble Bombay High Court in the case of Principal Commissioner of Income-tax v. Bairagra Builders (P.) Ltd [2024] 164 taxmann.com 162 (Bombay) has held that ;

3. It is apparent from a review of the record that at both stages of appeals preceding this Appeal, there were concurrent findings of fact in favour of the assessee, namely, that the genuineness of the unsecured loan transactions cannot be questioned. In a nutshell, the Impugned Order notes that the assessee has submitted all the evidence to substantiate the loans in question, including confirmation from the creditors. That apart, the loans were taken and repaid through banking channels. The ITAT has also ruled that bank statements too substantiate the same. So also, the lender has not deposited any cash into his bank accounts. Both the rounds of appeals prior to this Appeal have held that the assessee has duly discharged the onus of proving the identity of the lenders, credit-worthiness and all supporting evidence as required under Section 68 of the Income Tax Act, 1961 ("the Act").

4. The record shows that the disallowance of the unsecured loans of Rs.40 Lakhs was based on search and seizure action conducted on one Mr. Praveen Kumar Jain during which he is said to have recorded a statement that he had provided accommodation entries to a few beneficiaries, one of which is the Respondent. The said statement was retracted after the search and seizure was completed. The statement recorded during the search and seizure, ignoring the retraction and other

documentary evidence brought to bear in the assessment, is the basis of the assessing officer treating the unsecured loans as fake.

5. The two companies that lent the unsecured loans namely, Javda India Impex Ltd. and Lexus Infotech Ltd. were said to be companies controlled by the said Mr. Jain. The assessing officer added the sum of Rs.40 Lakhs as unproven cash credit and correspondingly disallowed the interest amount on the said loan.

6. The CIT-Appeals, upon a review of the documentary evidence on the record, which included supporting bank statements, the identities of the directors of the two companies, the tax returns filed by those companies and the confirmation of loans given by the Respondent concluded that the disallowance of the loan as being fake ought to be reversed.

7. The ITAT too agreed with the CIT-Appeals. Distinguishing the case law cited by the Department, the ITAT agreed with the CIT-Appeals and held that the Respondent has discharged the onus of explaining the transactions. The ITAT has also examined another decision of the ITAT in respect of another assessee, which also had a valid loan from Javda India Impex Ltd. The ITAT agreed with the findings in that case to hold that the addition to the income had been raised merely on conjecture and surmise.

8. Having heard the Learned Counsels for the parties and having reviewed the record, we do not find this to be a fit case for an appeal, that raises any substantial question of law- a prerequisite for this Appeal to be entertained. This is not a case of accounting entries masquerading as purchase of goods or services. The evidence on record, has led to the questions of fact being answered concurrently in two rounds of review, in favour of the Respondent. Therefore, no substantial question of law arises in the matter, and therefore, the Appeal is dismissed.

Respectfully following the judgment as referred and evidence placed on record we see no reason to sustain the addition of Rs. 10,24,75,690/-.

Thus, ground no. 3 & 4 and additional ground no. 1 & 2 raised by the assessee are allowed.

Ground no. 1 being technical becomes academic as we have considered the grounds of appeal on merits. Ground no. 5 being general does not require any finding.

In the result, the appeal of the assessee is allowed.

Order pronounced in the open court on 17/04/2025.

Sd/-

(डा० एस. सीतालक्ष्मी)
(Dr. S. Seethalakshmi)
न्यायिक सदस्य / Judicial Member

Sd/-

(राठोड कमलेश जयन्तभाई)
(Rathod Kamlesh Jayantbhai)
लेखा सदस्य / Accountant Member

जयपुर / Jaipur

दिनांक / Dated:- 17/04/2025

*Ganesh Kumar, Sr. PS

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

1. The Appellant- Oliria Foods and Beverages Limited, Jaipur
2. प्रत्यर्थी / The Respondent- ITO, Ward 1(2), Jaipur
3. आयकर आयुक्त / The Id CIT
4. आयकर आयुक्त(अपील) / The Id CIT(A)
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, जयपुर / DR, ITAT, Jaipur
6. गार्ड फाईल / Guard File (ITA No. 1531/JP/2024)

आदेशानुसार / By order,

सहायक पंजीकार / Asst. Registrar