



**IN THE INCOME TAX APPELLATE TRIBUNAL, RAJKOT BENCH, RAJKOT  
BEFORE DR. ARJUN LAL SAINI, AM.**

**&**

**DINESH MOHAN SINHA, JM**

**आयकरअपीलसं./ITA No.169/RJT/2025**

**निर्धारणवर्ष / Assessment Year: (2016-17)**

**(Hybrid Hearing)**

Lila Infotech, Shop No. 128, Platinum Plaza, 1 <sup>st</sup> Floor, Junagadh - 362001	<b>Vs.</b>	Assessing Officer Income Tax Office, Bhootnath Chamber, Junagadh - 362001
स्थायीलेखासं./जीआइआरसं./PAN/GIR No.: AAFFL9258G		
<b>(Appellant)</b>		<b>(Respondent)</b>

Appellant by : Shri Chetan Agarwal, Ld. AR  
Respondent by : Shri Abhimanyu Singh Yadav Ld. SR. DR  
**Date of Hearing : 13 / 08 /2025**  
**Date of Pronouncement : 10 / 11 /2025**

**आदेश / ORDER**

**PER DINESH MOHAN SINHA JM;**

Captioned appeal filed by assessee pertaining to Assessment Year 2016-17, is directed against order passed under section 250 of the Income Tax Act, 1961 by National Faceless Appeal Centre (NFAC), Delhi/Commissioner of Income Tax (Appeals), dated 22/01/2025, which in turn arises out of an order passed by the Assessing Officer u/s 143(3) of the Act, on dated 14/11/2018.



## 2. The Grounds of appeal raised by the assessee are as follows: -

1) *The Ld. CIT(A) erred in law as well as on fact in upholding an addition of Rs. 6,76,000/- made by Ld. AO u/s 68 of the Act.*

## 3. Facts of the Case

Appellant firm is engaged in the business of trading of mobile and mobile accessories in the name and style of M/s. Lila InfoTech. Return of income for A Y 2016-17 was filed on 12.10.2016 declaring total income of Rs.25,360/-. The case was selected for limited scrutiny for verifying the unsecured loans taken by the assessee notice were issued to the assessee. In response to notice various details were submitted by the assessee such as return of income along with computation of income, copy of audited accounts, bank account statements of the firm, bank book, unsecured loan confirmation, ITR and bank statements etc. were submitted. The details submitted by the assessee, the AO did not raise any doubt/objection regarding identity, genuineness, creditworthiness of the loans taken from sister.

The summon to the parties were issued by AO

1. Smt Pooja Ketan Jasani	2,40,000/-
2. Shri Kishan Jamnadas Tank	2,40,000/-
3. Shri Sagar Govind Bhai Jasani	1,96,000/-
Total	6,76,000/-



The summon was returned back unserved with an remark of postal authority “in sufficient address” then the assessee was directed to produce the creditor to before AO. Assessee fail to produce the above said creditor. However, reply was submitted by the assessee. That unsecured creditor treated to be unexplained cash creditor u/s. 68 of the Act. and added in the total income of the assessee.

4. That the assessee filed an appeal against the order of assessment before Ld. CIT(A) dated on 22/01/2025, which was dismissed by the Ld. CIT(A). on 22.01.2025

5. That the assessee filed an appeal against the impugned order dated 22.01.2025 before this Tribunal.

- i). The Ld. AR requested that addition may kindly be deleted.
- ii). On the contrary the Ld. DR. has relied on the order of the lower authority.

6. We have heard both the parties and perused the material available on record. We note that the Ld. CIT(A) has consider the return statement filed by the assessee. The Ld. CIT(A) has upheld the addition made by the AO. amounting to Rs. 6,76,000/- u/s. 68 of the Act. We have gone through the entire facts and circumstances of the case and documents furnished by the assessee and the case relied upon by the assessee; we perused the documents and the findings of the Ld. CIT(A) We note that it is an admitted fact that the assessee firm had Unsecured Loan Rs.6,76,000/- taken and during recorder in the books of accounts of the firm.



7. We also find that the assessing officer, had not specifically identified any specific defects in the purported evidences and has not held that this evidence filed by the assessee are bogus. No contrary evidence is available on record. we find some force in the contention of the Ld. Counsel for the assessee. Therefore, we find that the assessee case has a merit. In our view the ends of justice would be met, if a net profit rate of 10% is adopted on the amount of Unsecured Loan is considered an income of the assessee for this year, since the same would take care of the inconsistencies, in the various documents and evidences submitted before the lower authorities. Therefore, to safe guard the leakage of revenue, we direct the assessing officer to make addition at the rate of 10% of Rs. 6,76,000/-, in the hands of assessee, which comes to Rs. 67,000/. We hereby make it clear that since the assessee has explained the source of Unsecured Loan, therefore, 10% addition of Rs. 67,000/- sustained by us, should be taxable under the normal rate of income-tax.

7. In the result, the assessee's appeal is partly allowed, in above terms.

**Order pronounced in the open court on 10 / 11 /2025.**

**Sd/-**

**(Dr. A.L. SAINI)**  
**ACCOUNT MEMBER**

**Sd/-**

**(DINESH MOHAN SINHA)**  
**JUDICAL MEMBER**

Rajkot

दिनांक/ Date: 10 / 11 /2025

**Copy of the Order forwarded to**

1. The Assessee
2. The Respondent
3. The CIT(A)
4. Pr. CIT
5. DR/AR, ITAT, Rajkot
6. Guard File

By Order

Assistant Registrar/Sr. PS/PS  
ITAT, Rajkot