

**IN THE INCOME TAX APPELLATE TRIBUNAL
SURAT BENCH, SURAT**

**BEFORE DR. B.R.R. KUMAR, VICE-PRESIDENT
Ms SUCHITRA KAMBLE, JUDICIAL MEMBER**

ITA No.1040/Srt/2024
(Assessment Year: 2012-13)

Gopal Chandak, Shop No.6046, Ambaji Market Ring Road, Near India Market Surat-395002. [PAN : ACVPC2544A]	Vs.	The Income Tax Officer, Ward-1(2)(2) Surat.
(Appellant)	..	(Respondent)

Appellant by :	Shri Rasesh Shah, AR
Respondent by:	Shri Ajay Uke, Sr. DR
Date of Hearing	19.01.2026
Date of Pronouncement	21.01.2026

ORDER

PER DR. B.R.R. KUMAR, VICE-PRESIDENT:-

This appeal has been filed by the Assessee against the order dated 08.08.2024 passed by the Ld. Commissioner of Income-Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi ("the CIT(A) in short), under Section 250 of the Income-tax Act, 1961 ("the Act"), relating to the Assessment Year 2012-13.

2. The Assessing Officer made addition of Rs.18,20,675/- which was confirmed by the Ld.CIT(A). The assessee has received an amount of Rs.18,20,675/- from the five person as per table below:

Sr. No.	Name of the assessee	Loan(Rs.)
1	Geetadevi T Paliwal	1,00,000
2	Pawan Rathi	1,50,000/-
3	Durgadevi B Paliwal	5,00,000/-
4	Mamta Soni	3,00,000/-
5	Lalit Rathi	7,70,675/-
	Total	18,20,675

3. It was submitted that all the loans have been repaid except the loan of Rs.3,00,000 received from Ms. Mamta Soni. The issue of repayment and addition thereof stands adjudicated in the case of Principal Commissioner of Income Tax 1 v. Merrygold Gems Pvt. Ltd. (Tax Appeal No. 811 of 2023), the Gujarat High Court delivered a judgment on June 11, 2024. Dismissing the Revenue's appeal the Hon'ble Court held that additions under Section 68 of the Income Tax Act cannot be sustained if loans or advances are repaid within the same financial year.
4. Hence, the appeal of the assessee with regard to remaining four parties is allowed.
5. With regard to the loan given by the party, namely Ms. Mamta Soni, we find that the funds were originally lent by her on **30.03.2011** to Ratanpriya Dyeing and Printing Mills Pvt. Ltd. wherein the assessee is the Director and upon receipt of the said monies on **26.08.2011**, the same were advanced to the assessee on **27.08.2011**. Thus, the amounts given as loan by the **Ms. Mamta Soni**, has always been with the assessee for the last 15 years and no repayment has been made which doesn't add to any reasonable credential of the loan transaction. Hence, we affirmed the order of the AO on this account.
6. The Assessing Officer disallowed 10% of the indirect expenses. The Ld. AR submitted that, provided an opportunity, all relevant details and supporting evidences would be placed before the Revenue authorities. Accordingly, the matter is restored to the file of the **Jurisdictional Assessing Officer** for examination of the expenses and verification of the supporting documents.

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7. In the result, the appeal of the assessee is partly allowed for statistical purposes.

The order is pronounced in the open Court on 21.01.2026.

**Sd/-
(SUCHITRA KAMBLE)
JUDICIAL MEMBER**

**Sd/-
(DR. B.R.R. KUMAR)
VICE-PRESIDENT**

Surat; Dated 21.01.2026

**mv

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

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

आदेशानुसार/ BY ORDER,

(TRUE COPY)

सहायक पंजीकार (Asstt. Registrar)
आयकर अपीलीय अधिकरण
ITAT, Surat