

**IN THE INCOME TAX APPELLATE TRIBUNAL, DELHI 'E' BENCH,
NEW DELHI**

**BEFORE MS. MADHUMITA ROY, JUDICIAL MEMBER, AND
SHRI NAVEEN CHANDRA, ACCOUNTANT MEMBER**

ITA No. 4852/DEL/2024 [A.Y. 2016-17]

**Nouvelle Securities Pvt Ltd
42, Community Center
New Friends Colony,
Zakir Nagar, South East Delhi**

Vs.

**The A.C.I.T
New Delhi**

PAN - AAACN 0211 F

**Co No. 21/DEL/2025
(ITA No. 4852/DEL/2024 [A.Y. 2016-17])**

**The A.C.I.T
New Delhi**

Vs.

**Nouvelle Securities Pvt Ltd
42, Community Center
New Friends Colony,
Zakir Nagar, South East Delhi**

PAN - AAACN 0211 F

(Applicant)

(Respondent)

**Assessee By : Shri Biren Shah, CA
Shri Vartik Choksi, CA**

Department By : Shri Manoj Tiwari, Sr. DR

Date of Hearing : 12.11.2025

Date of Pronouncement : 06.02.2026

ORDER

PER NAVEEN CHANDRA, A.M:-

The above captioned appeal by the Revenue and cross objection of the assessee are directed against the order of the ld. CIT(A)- 23, New Delhi dated 27.02.2024 for A.Y 2016-17 respectively.

2. Since the appeal and cross objections were heard together and pertain to same assessee, these are being disposed of by this common order for the sake of convenience and brevity.

ITA No. 4852/DEL/2024 [A.Y. 2016-17] Revenue's appeal

3. The grievances of the Revenue read as under:

"1. The Ld. CIT(A) has erred in deleting the addition of Rs. 2,46,00,000/- made by Assessing Office u/s 68 of the Income-tax Act, 1961.

2. The Ld. CIT(A) has failed to appreciate that the creditors are only shell companies, created for abatement of and legitimize, illicit means and evade taxes, and its legal identity is only a facade to hide its illegal operations.

3. The Ld' CIT(A) has failed to appreciate that submissions of audited accounts and bank statements of alleged entry operator are necessary

pre-requisite to give such entities a semblance of a genuine business. Filing of such documents does not mitigate lack of genuineness in its actual operations.

4. Ld. CIT(A) has failed to appreciate that accommodation entry operators have sufficient funds only in the form of investments in other non-genuine companies. There is hardly substantial balance in the bank account or genuine investment.

5. The Ld. CIT(A) failed to appreciate that there is no information of conduct of any audit/in”

4. The assessee has raised the following grounds of appeal in its cross objections:

“1. On the facts and in the circumstances of the case and in law, the learned CIT(A) ought to have deleted the addition by appreciating that the material relied upon by Assessing Officer is totally unrelated and irrelevant to the respondent and thus conditions laid down in forth proviso to section 153A r.w.s 153C and 149(1) are not satisfied.

2. On the facts and in the circumstances of the case and in law, the learned CIT(A) ought to have deleted the addition also on the ground that the alleged Whatsapp messages relied upon by Assessing Officer is totally unrelated and irrelevant to the respondent.

3. On the facts and in the circumstances of the case and in law, the learned CIT(A) ought to have deleted on merits the addition u/s 68 by appreciating that the respondent had duly discharged its onus u/s

68 by proving the identity, creditworthiness and genuineness of unsecured loan.

4. On the facts and in the circumstances of the case and in law, the learned CIT(A) ought to have deleted on merits the addition of Unexplained Expenditure u/s 69C.

5. On the facts and in the circumstances of the case and in law, the learned CIT(A) ought to have deleted on merits the disallowance of interest paid on unsecured loan u/s 37.

6. The respondent craves leave to add, alter, amend and/or withdraw any ground or grounds of cross objections either before or during the course of hearing of the same.”

4. Brief facts of the case are that the assessee is a group company of Filatex India Limited. The Assessee during the year has obtained loans from the following parties:

1. ANM Fincap Private Limited Rs 1,00,00,000/-
2. M/s Savita Holdings Private Limited Rs 80,00,000/-
3. M/s RN Khemka Enterprises Private Limited Rs 1,00,00,000/-
4. M/s Satsai Finlease Private Limited Rs 1,00,00,000/-

5. The AO considered these lenders as bogus entities on the basis of findings in the search u/s 132 of the Act on the Filatex India Ltd group on 01.09.2021. The AO observed that Filatex group companies had taken bogus

Share premium and bogus Unsecured loan from other Shell companies as well in past several years. List of such bogus Entities mentioned by Ld. AO on Page 3 of Assessment order. Sh. Ankit Bhageria's office and residence was also covered in the above referred search operation and statements of Sh. Ankit Bhageria was recorded u/s 132(4).

6. The Assessing Officer thereafter held that on ITR analysis and analysis of bank statements, these companies are found to be typical shell entity acting as an intermediary layer and a pass-through mechanism for routing of unaccounted money into the books of account of beneficiaries. During the search and post search enquiries Assessing Officer observed that incriminating documents/loose papers, SMS and WhatsApp chats were found which indicates that the Filatex Group has taken bogus unsecured loans. The Assessing Officer made addition of Rs. 2,51,21,204/- in the hands of assessee considering the lenders as bogus parties on the basis of statements recorded during the course of search.

7. At the very outset, the ld. counsel for the assessee vehemently contended that the issues involved in the case of the assessee are similar to those involved in the case of Filatex India Limited in ITA Nos. 4635/DEL/24 and others order dated 30.06.2025. The ld AR submitted that

Filatex India Ltd. had also taken loans from the same parties as above namely 1. ANM Fincap Private Limited, 2. M/s Savita Holdings Private Limited, 3. M/s RN Khemka Enterprises Private Limited and 4. M/s Satsai Finlease Private Limited. It was submitted that loans from these parties have been held to be genuine by Jurisdictional tribunal in the case of Filatex India Limited for AY 2016-17 vide ITA No.2060/Del/2024 & C.O.No.89/Del/2024. (ITA Nos.4635, 5000, 2060, 4999, 4648, 3988, 2061, 1455, 2062 /Del/2024). It is the say of the Id AR that since the lenders have been held as genuine parties by the ITAT in the case of Filatex India Ltd, the AO's action of treating the same as bogus shell companies in the instant case should be discarded.

8. Further, the Id AR stated that to discharge the onus cast by section 68 on the assessee, has been duly discharged by assessee by submitting the copy of confirmation of accounts, bank statements of lender, audited financials of lender, copy of ITR and responses filed by the lenders u/s 133(6) of the Act before Assessing Officer as well as CIT(A).

9. The Id AR further submitted that the Assessing Officer could not find any corroborative evidence to prove that the contents of the Whatsapp

Messages were true and linked with the unsecured loan taken by the assessee. The source as well as the source of source have been provided by the assessee. Assessee also submitted the Affidavits of Ankit Bhageria and Purushottam Bhageria retracting the statement recorded u/s 132 which has been relied upon by Assessing Officer to make addition in the hands of assessee.

10. Per contra, the ld DR relied on the orders of the AO and could not controvert the submission of the ld AR.

11. We have heard the rival submissions and have perused the relevant material on record. In the present case, the sole dispute is with respect to the genuineness of the unsecured loans taken by the assessee from four companies which were alleged to be bogus accommodation provider entities. The assessee received total amount of loans of INR 2.46 crores from four companies during the year and the Assessing Officer made addition of Rs. 2.51 crores which included commission for providing the entries.

12. We find that the co-ordinate bench in the case of Filatax India Limited vide order dated 30.06.2025 has decided the bunch of appeals. Like assessee in the present case, Filatax India Ltd had also taken loans

from the same parties which have been found to be genuine loans by the co-ordinate bench(supra). The coordinate bench of ITAT found that these parties were genuine and their loans were genuine. It would be pertinent to refer to the findings of the order in the case of Filatax India Ltd which read as under:

36. In view of above facts and the circumstances of the case, we are of the considered view that the decision of the Ld. CIT(A) deleting the additions made is based on the appreciation of fact that all the relevant documentary evidences were produced by the Assessee to establish the identity and creditworthiness of the lender companies and genuineness of the transactions. Further based on the legal precedents and the fact that the loans were received and repaid through banking channel had deleted the additions under consideration. We further observed that that Hon'ble Jurisdictional High Court in various cases has dealt with the fact that where assessee has discharged its burden by filing all the necessary evidences to prove the loans, provisions of section 68 cannot be invoked. Further Hon'ble Gujarat High Court in the case of PCIT Vs. Ojas Tarmake Pvt. Ltd. (supra) has held that where major portion of the credit has been repaid and also looking tot eh facts that in the instant case the AO had accepted the debit entries as genuine, the Hon'ble Court on the said facts ultimately affirmed the decision of the Tribunal in deleting the addition. Further the Hon'ble Gujarat High Court re-affirmed this view in the case of PCIT Vs. Merrygold Gems Pvt. Ltd. Similar view is also expressed by the Hon'ble Punjab & Haryana High Court in the case of CIT Vs. Karaj Singh [2011] 15 taxmann.com 70.

37. In case of Andaman Timber Industries Vs. CCE (SC) reported in 281 CTR 241(SC), the Supreme Court found that the Adjudicating Authority had not granted an opportunity to the assessee to cross examine the witnesses and the tribunal merely observed that the cross examination of

the dealers in that case, could not have brought out any material which would not otherwise be in possession of the appellant- assessee. The Supreme Court set aside the impugned order and observed that it was not for the Adjudicating Authority to presuppose as to what could be the subject matter of the cross examination and make the remarks such as was done in that case.

38. Thus, the denial of opportunity to cross examine which goes to the root of the matter and strikes at the very foundation of the assessment and, therefore, renders the assessment order passed by the AO not sustainable. Thus the additions made by the AO on the basis of such statement without any tangible material is not sustainable in law and liable to be deleted.

39. In view of the above discussion and further looking to the fact that when all the relevant details and documentary evidences produced by the assessee to establish the identity, creditworthiness and genuineness of the transactions, the said evidences cannot be rejected based on the statements without any contrary documentary evidence. It is seen that transactions have been done through banking channels and on the date of making of loans, there was balance available in the accounts of the lenders, which proves the creditworthiness and genuineness of the transactions. It is also relevant that out total amount of loans of 24.50 crores received from these lender companies, the AO has despite of doubting their creditworthiness, had made the addition of INR. 5.90 crores only meaning thereby the creditworthiness for the remaining amount is not doubted though the facts and the circumstances while granting these loans remained the same. This creates serious doubts about the mode and manner of the additions made by the AO. Once it is accepted that the lender has creditworthiness for part of the amount, the remaining amount cannot be held as unexplained. There is no case of any cash deposition in the account of any of the lender companies at the time of issuing cheques/RTGS in favour of the Assessee. Therefore, Appellant has duly discharged the burden casted upon it u/s 68 of the Act.

40. It is trite law that suspicion, howsoever strong, cannot take the place of proof as held in Umacharan Shaw & Bros. vs. CIT (1959) 37 ITR 271 (SC). The Hon'ble Supreme Court in the case of Dhakeswari Cotton Mills Ltd v. Commissioner of Income Tax (1954) 26 ITR 775 (SC) has observed that powers given to the Revenue authority, howsoever, wide, do not entitle him to make the assessment on pure guess without reference to any evidence or material. The assessment cannot be framed only on bare suspicion. The assessment should rest on principles of law & and one should avoid presumption of evasion in every matter. The assessee, in the instant case, has sufficiently demonstrated the genuineness of transaction and creditworthiness of the loan creditors. On a broader reckoning, the apprehension raised by the Revenue authorities militates against the tangible material and is thus extraneous. Accordingly, we find no infirmity in the order of Id. CIT(A) in deleting the additions made u/s 68 towards the unsecured loans of Rs. 5.90 crores by holding the same as accommodation entries. Further since we have already held the loans taken from all four companies as genuine transaction question of treating the interest paid to them as ingenuine does not arise and therefore, disallowance of interest on such loans has rightly been deleted by Id. CIT(A) which order is hereby confirmed. Regarding the addition towards commission @ 2% as made by AO by alleging the loan transactions as accommodation entries, as has been observed above, we have already hold these loan transactions as genuine transactions thus question of payment of any commission for obtaining such loan does not arise. In view of these facts, we hereby uphold the order of Id. CIT(A) deleting the addition made on account of alleged commission payments. Accordingly, all the grounds of appeal of the revenue are dismissed.

13. We, therefore, finding the facts and circumstances being identical, respectfully following the decision of the co-ordinate bench [supra], we

hold that the loans from the said four lenders were genuine. Accordingly.

Grounds 1 to 4 of Revenue are dismissed.

14. In view of our decision taken above in the appeal of the Revenue, the cross objection of the assessee is rendered academic and thus not adjudicated and is dismissed.

15. In the result, the appeal of the Revenue in ITA No. 4852/DEL/2024 is dismissed and the cross objection of the assessee in CO No. 21/DEL/2025 is also dismissed.

The order is pronounced in the open court on 06.02.2026

Sd/-

**[MADHUMITA ROY]
JUDICIAL MEMBER**

Sd/-

**[NAVEEN CHANDRA]
ACCOUNTANT MEMBER**

Dated: 06th February, 2026

VL/

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asst. Registrar,
ITAT, New Delhi

SI No.	PARTICULARS	DATES
1.	<i>Date of dictation of Tribunal Order</i>	<i>27.01.2026</i>
2.	<i>Date on which the typed draft order is placed before the Dictating Member</i>	<i>28.01.2026</i>
3.	<i>Date on which the typed draft order is placed before the other Member [in case of DB]</i>	<i>06.02.2026</i>
4.	<i>Date on which the approved draft order comes to the Sr. P.S./P.S.</i>	<i>06.02.2026</i>
5.	<i>Date on which the fair Order is placed before the Dictating Member for sign</i>	<i>06.02.2026</i>
6.	<i>Date on which the fair order is placed before the other Member for sign [in case of DB]</i>	<i>06.02.2026</i>
7.	<i>Date on which the Order comes back to the Sr. P.S./P.S for uploading on ITAT website</i>	<i>06.02.2026</i>
8.	<i>Date of uploading, inf not, reason for not uploading</i>	<i>06.02.2026</i>
9.	<i>Date on which the file goes to the Bench Clerk</i>	<i>06.02.2026</i>
10.	<i>Date on which the file goes for Xerox</i>	<i>02.2026</i>
11.	<i>Date on which the file goes for endorsement</i>	<i>02.2026</i>
12.	<i>The date on which the file goes to the Superintendent for checking</i>	<i>02.2026</i>
13.	<i>Date on which the file goes to the Assistant Registrar for signature on the order</i>	<i>02.2026</i>
14.	<i>Date on which the file goes to the dispatch section for dispatch the Tribunal order</i>	<i>02.2026</i>
15.	<i>Date of Dispatch of the Order</i>	<i>02.2026</i>
16.	<i>Date on which the file goes to the Record Room after dispatch the order</i>	<i>02.2026</i>