

IN THE INCOME TAX APPELLATE TRIBUNAL “D” BENCH, MUMBAI
BEFORE SHRI SAKTIJIT DEY, VICE PRESIDENT AND
SHRI MAKARAND VASANT MAHADEOKAR, ACCOUNTANT MEMBER

ITA No. 3032/Mum/2025
(Assessment Year: 2011-12)

Income Tax Officer-19(2)(2) 503, 5 th Floor, Income Tax Office, Piramal Chambers, Lalbaug, Mumbai-400 012	Vs.	Mahesh K Joshi 42, A/3, 479 Jariwala Building, Arther Road, Tardeo, Mumbai-400 034
PAN/GIR No. AADHM 4623 G		
(Appellant)	:	(Respondent)
Appellant by	:	None
Respondent by	:	Shri Annavam Kosuri
Date of Hearing	:	18.02.2026
Date of Pronouncement	:	23.02.2026

ORDER

Per Saktijit Dey, Vice President:

The present appeal by the department arises out of the order dated 24.02.2015, passed by National Faceless Appeal Centre (‘NFAC’ for short), Delhi for the assessment year (A.Y. for short) 2011-12.

2. Though the department has raised multiple grounds, however, the solitary issue arising in the appeal relates to deletion of addition of Rs.1,04,16,232/- made by the Assessing Officer (A.O. for short), alleging non-genuine transaction. When the matter was called out, none appeared on behalf of the assessee. A perusal of record reveals that on earlier occasions also the assessee failed to appear, though, several notices of hearing were sent to the assessee. Keeping in view the nature of dispute and other attending facts and circumstances, we deem it appropriate to dispose of the appeal *ex parte* qua the assessee with the assistance of Id. Departmental Representative (‘Id. DR’ for short) and based on facts and materials available on record.

3. Briefly the facts are, the assessee is a resident individual. For the assessment year under dispute, the assessee had filed return of income on 11.07.2012, declaring income of Rs.2,78,810/-. Subsequently, the Assessing Officer (A.O. for short) received information through Investigation Wing that in course of search and seizure operation conducted on 05.02.2016 in case of Shri Vipul Vidur Bhatt and his associates/other entities, it was found that they indulged in providing accommodation entries to various persons and assessee is one of the beneficiaries of such accommodation entries. Based on such information, the A.O. reopened the assessment u/s. 147 of the Act. In course of assessment proceeding, the A.O. found that as per the information available on record, the PAN of the present assessee was misused for operating bank account at Bank of Baroda, wherein accommodation entries aggregating to Rs.60,95,802/- were taken from 31 bogus entities. He further observed that assessee did not comply with notices issued to him. Thus, based on the information received from the Investigation Wing, including statement recorded u/s. 132(4) of the Act from Shri Vipul Vidur Bhatt, the A.O. ultimately proceeded to complete the assessment to the best of his judgment invoking the provision of section 147 of the Act. While doing so, he added back the amount of Rs.1,04,16,232/- alleging that the assessee is a beneficiary of accommodation entries provided by Shri Vipul Vidur Bhatt and his group entities.

4. The assessee contested the addition before the first appellate authority.

5. While verifying the issue in the context of submissions made by the assessee and the facts and materials available on record, Id. First appellate authority found that as per the statement recorded from Shri Vipul Vidur Bhatt and other materials found in course of search and seizure operation, the assessee has not availed any accommodation entry from

the entities of Shri Vipul Vidur Bhatt. On the contrary, the assessee is one of the person/entity providing accommodation entry to beneficiaries. Thus, upon consideration of such facts, ld. First appellate authority held that the assessee had only earned commission by providing accommodation entries. Relying upon orders passed in similar cases, ld. First appellate authority directed the A.O. to compute the commission income at 1% of the total debit transaction in the bank account.

6. We have considered rival submissions and perused the materials on record. Though, before us, relying upon the A.O., ld. DR submitted that the assessee is a beneficiary of accommodation entry and ld. First appellate authority has proceeded on a wrong footing, however, we are not convinced. In the submissions made before ld. First appellate authority, the assessee had categorically stated he is not a beneficiary of accommodation entry, but as per the seized material and the statement recorded from Shri Vipul Vidur Bhatt his name appears in the list of entry providers. In this context, ld. First appellate authority has specifically referred to the statement of Shri Vipul Vidur Bhatt. The department has failed to produce any material before us to controvert the aforesaid factual finding of the first appellate authority. In view of the aforesaid, we are disinclined to interfere with the decision of ld. first appellate authority. Hence, grounds are dismissed.

7. In the result, the appeal is dismissed.

Order pronounced in the open court on 23.02.2026

Sd/-

Sd/-

(Makarand V Mahadeokar)
Accountant Member

(Saktijit Dey)
Vice President

Mumbai; Dated : 23.02.2026

Roshani, Sr. PS

Copy of the Order forwarded to :

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

BY ORDER,

(Dy./Asstt. Registrar)
ITAT, Mumbai