

**THE INCOME TAX APPELLATE TRIBUNAL
AHMEDABAD "SMC" BENCH**

**Before Dr. BRR Kumar, Vice President
And Ms. Suchitra Kamble, Judicial Member**

**ITA No. 1976/Ahd/2025
Assessment Year 2019-20**

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| Umeshkumar Prataprai Awtani, C/o P. Omeshkumar, 169/7, Parsi Chawl, Opp. Maskati Market, Ahmedabad-380001 PAN: AASPA8966F (Appellant) | Vs | The ITO, Ward-1(1)(3) Ahmedabad (Respondent) |
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**Assessee by: Shri Maulik Kansara, A.R.
Revenue by: Shri Veerbadram Vislavath, Sr. D.R.**

Date of hearing : 12-01-2026
Date of pronouncement : 27-02-2026

आदेश/ORDER

Per Suchitra Kamble, Judicial Member:

This is an appeal filed against the order dated 07-10-2025 passed by National Faceless Appeal Centre (NFAC), Delhi for assessment year 2019-20.

2. The grounds of appeal are as under:-

"1. Whether, on facts and in circumstances of the case and in law, Ld. CIT(A) erred in confirming the addition of accommodation entry of Rs. 32,70,000/- as unexplained money u/s. 69A of the Act?"

2. Whether, on facts and in circumstances of the case and in law, Ld. AO erred in issuing notice u/s. 148 of the act?"

Further, appellant craves leave to add, amend, alter or withdraw all or any ground of appeal."

3. The assessee is engaged in the business of wholesale and retail trading of textiles as well as restaurant and hospitality services during the year under consideration. The taxable business of the assessee is carried under the trade name 'Cheryyl Textile'. The assessee filed return of income u/s. 139(4) of the Act for assessment year 2019-20 on 31-07-2020 declaring income at Rs. Nil. Consequent to search action carried out on 14-04-2019 in case of Sanjay Tebrewal who was identified as accommodation entry provider, proceedings u/s. 147 of the Act was initiated in case of the assessee by issuing notice u/s. 148 of the Act on 26-03-2023. The Assessing Officer observed that the assessee received amount of Rs. 32,70,000/- from Narayan and Company, a associated concern of Sanjay Tebrewal. It was a accommodation entry transaction. The assessee's submissions along with details such as audit report, copy of ledger account of M/s. Narayan and Co., copy of bank statement of ICICI Bank as well as other relevant papers which is quoted on page 5, 6 & 7 of the assessment order was on record during assessment proceedings. After taking cognizance of the assessee's reply, the Assessing Officer made addition of Rs. 32,70,000/- u/s. 69(A) of the Act as un-explained money.

4. The assessee filed appeal before the CIT(A). The CIT(A) dismissed the appeal of the assessee.

5. The ld. A.R. submitted that the CIT(A) was not right in confirming the addition and further submitted that the assessee has given all the details before the CIT(A). The ld. A.R. submitted that the transactions with M/s. Narayan and Co., is in the nature of loan taken from it and is duly reflected in the ledger account of M/s. Narayan and Co. which was shown

through banking channel. Thus, the Id. A.R. submitted that the Assessing Officer should have accepted the contention of the assessee.

6. The Id. D.R. relied upon the assessment order and the order of the CIT(A).

7. We have heard both the parties and perused all the relevant material available on record. At the time of assessment proceedings related to the genuineness of transaction, the assessee has not submitted details as relates to the loan document certificate which would have demonstrated the principal amount and the interest paid thereon. The assessee also did not submit any corroborative evidence in support of his claim of genuineness of the transaction that the assessee has genuinely taken loan and has deducted the TDS and in fact was willing to pay the loan as per requirement. In para 10.2 of the CIT(A) order, it is categorically mentioned that subsequent to search action of Shri Sanjay Tebrewal, the issuance of notice u/s. 148 of the Act was upon the assessee. In fact the assessee has filed return of income as nil, but has not disclosed that the assessee has given the loan of Rs. 32,70,000/- to a person whose repayment capacity is not properly reflected in any of the documents submitted by the assessee before revenue authorities. The finding by the CIT(A) was not countered by the assessee at any stage before us and in fact the assessee could not establish the genuineness of these unsecured loans. The assessee could not establish that these loans were for the business purpose and was utilized for the business purpose only. The assessee has also not shown his intent to repay these loans which were interest free loan. Thus, the Assessing Officer

has rightly made addition and CIT(A) has rightly confirmed the same.

8. In the result, the appeal of the assessee is dismissed.

Order pronounced in the open court on 27-02-2026

Sd/-
(Dr. BRR Kumar)
Vice President
Ahmedabad : Dated 27/02/2026

Sd/-
(Suchitra Kamble)
Judicial Member

a.k.

आदेश की प्रतिलिपि अग्रेषित / Copy of Order Forwarded to:-

1. Assessee
2. Revenue
3. Concerned CIT
4. CIT (A)
5. DR, ITAT, Ahmedabad
6. Guard file.

By order/आदेश से,

उप/सहायक पंजीकार
आयकर अपीलीय अधिकरण,
अहमदाबाद