

**IN THE INCOME-TAX APPELLATE TRIBUNAL “SMC”
BENCH, MUMBAI**

**BEFORE SHRI SANDEEP GOSAIN, JUDICIAL MEMBER
&
SHRI PRABHASH SHANKAR, ACCOUNTANT MEMBER**

**ITA No.7653/MUM/2025
(A.Y. 2017-18)**

Ruchi Stock and Securities Private Limited Nariman Point, Tulsiani Chambers 611, Mumbai – 400 021, Maharashtra	v/s. बनाम	Income Tax Officer, Ward – 3(3)(1), Aaykar Bhavan, Mumbai – 400021, Maharashtra
स्थायी लेखा सं./जीआइआर सं./PAN/GIR No: AADCRO307H		
Appellant/अपीलार्थी	..	Respondent/प्रतिवादी

Assessee by :	None
Revenue by :	Shri Brajendra Kumar (Sr. DR)

Date of Hearing	12.02.2026
Date of Pronouncement	18.02.2026

आदेश / ORDER

PER PRABHASH SHANKAR [A.M.] :-

The present appeal arising from the appellate order dated 26.09.2025 is filed by the assessee against the order passed by the Learned Commissioner of Income-tax, Appeal, ADDL/JCIT(A)-7, Kolkata [hereinafter referred to as “CIT(A)”] pertaining to assessment order passed u/s. 143(3) of the Income-tax Act, 1961 [hereinafter referred to as “Act”] for the Assessment Year [A.Y.] 2017-18.



2. The grounds of appeal are as under:

1. *In the facts and the circumstances of the case and in law, the learned A.O. erred in adding the entire amount of loan taken amounting to Rs. 34,30,000/- to the total income of the Appellant as unexplained unsecured loans.*
 - a) *even though the response were submitted by the company as against notice u/s 133(6)*
 - b) *On the basis of suspicion and presumption*
 - c) *On the basis of information received from Income Tax Officer-7(3)(3), Mumbai and JCIT(Central), Indore.*
 - d) *Based on third party statements*
 - e) *Without any proof of refund of cash*
 - f) *By wrongly correlating general data of loan creditor with the Appellant*
 - g) *by making only guesswork & overlooking documents.*
 - h) *By not offering the opportunity to cross-examine the statements of the said persons on whom the Assessing Officer heavily relied.*
- 2) *The Assessing Officer wrongly charged interest u/s 234A, B, C and D and also initiated penalty u/s 270A(1).*
- 3) *In the facts and the circumstances of the case and in law, the learned Addl. CIT [A] erred in confirming the same by wrongly rejecting all detailed submissions.*

3. Briefly stated facts of the case are that the assessee company filed return of income declaring total loss of Rs.25,33,710/-. The case was selected for scrutiny. The Assessing Officer passed the order u/s 143(3) of the Act on total income of Rs.8,96,290/- after making addition of Rs.34,30,000/- over and above returned income/loss. The assessee is engaged in the business of trading of agri-commodities, products. Addition on account of unsecured loans from bogus party Rs.34.30,000/- was made which represented unsecured loan from one Piyali Trading Co. Pvt. Ltd., of Rs.43 lakhs during the year. In this case



addition of Rs.38 lakh was made in AY 2016-17 also, based on information received from JCIT(Central), Indore, wherein it is informed that during the course of search assessment in the case of M/s NICG Combines P Ltd., it was noticed that M/s Piyali Trading Co. Pvt. Ltd., Mumbai had given loan to different parties. During the course of search assessment in the case of M/s NICG Combines P Ltd. Summons U/s 131 was issued to both the directors of M/s Piyali Trading Company P Ltd., at their Indore based address in compliance to the summons issued both the Directors in the sworn statement admitted that they were nothing but a dummy directors and accepted that the company did not operate any business activity. They were unknown to any business affairs of the assessee company as well as loan transactions. Considering the above facts, it was noticed that all the financial parameters, like profitability ratios, capital structure and infrastructure and administration of the company clearly indicated that it was a bogus paper company having no future prospects which acted as a conduit of entry provider in the guise of unsecured loans, share capital etc. to the different beneficiaries. The assessee was one of the beneficiaries of bogus loan of Rs.38 lakhs, for FY 2015-16. In the instant year, the assessee had received loan of Rs.43 lakh. After confronting the assessee and making detailed analysis of facts and circumstances, he made addition of Rs.34,30,000/- of the said



loan shown in the books of the assessee during the year is treated as non-genuine and added to the total income.

4. In the subsequent appeal, the assessee contested the addition by claiming that the addition was made merely on suspicion and conjectures. Suspicion alone without there being evidence specific to a transaction cannot become the basis for creating charge for levying tax as each transaction has to be independently inquired into. After analysing the observation made by the AO and argument placed by appellant, the ld.CIT(A) concluded that the AO was justified in making the addition acted on the basis of information provided and held that mere filing of loan confirmation did not establish that the transaction was genuine and the creditor was sufficiently creditworthy to make such loan. The two limbs, i.e. genuineness and creditworthiness, remained unsubstantiated and therefore the action of the AO was fully justified. The addition of Rs.34,30,000/- was therefore confirmed and appeal dismissed.

5. It may be stated here that when the case was called for hearing by the Bench, none attended. No adjournment application was also filed. In such a situation, it can be inferred that the assessee is not keen to pursue the appeal in right earnest. It is the duty of the assessee to adhere



to the notices issued to it especially when such notices are issued so as to allow sufficient opportunity of hearing to the assessee to buttress its case, following the principles of natural justice. We have perused the orders of the authorities below justifying the addition made. The Id.CIT(A) has duly taken into consideration detailed submissions of the assessee before dismissing the appeal on merits. Therefore, we do not find any infirmity in the appellate which is upheld and consequently, the grounds of appeal as also the appeal of the assessee are dismissed.

6. In the result, **the appeal of the assessee is dismissed.**

Order pronounced in the open court on 18/02/2026.

Sd/-

SANDEEP GOSAIN

(न्यायिक सदस्य / JUDICIAL MEMBER)

Sd/-

PRABHASH SHANKAR

(लेखाकार सदस्य/ACCOUNTANT MEMBER)

Place: मुंबई/Mumbai

दिनांक /Date 18.02.2026

Lubhna Shaikh / Steno

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

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. आयकर आयुक्त / CIT



4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण DR, ITAT,
Mumbai
5. गार्ड फाईल / Guard file.

सत्यापित प्रति //True Copy//
आदेशानुसार/ BY ORDER,

उप/सहायक पंजीकार (Dy./Asstt. Registrar)
आयकर अपीलीय अधिकरण/ ITAT, Bench,
Mumbai.

