

**IN THE INCOME TAX APPELLATE TRIBUNAL
“B” BENCH, AHMEDABAD**

**BEFORE SHRI SANJAY GARG, JUDICIAL MEMBER AND
SHRI NARENDRA PRASAD SINHA, ACCOUNTANT MEMBER**

**ITA No. 2462/AHD/2025
Assessment Years: 2014-15**

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| Income Tax Officer Ward – 1(2)(3), Ahmedabad - 380015 | Vs. | Kantilal Bagdaji Goyal, 320, M.G. Market, Gheekanta, Ahmedabad, Gujarat – 380001 [PAN – AEEPG5666E] |
| (Appellant) | | (Respondent) |
| Assessee by | Shri K. C. Thaker, AR | |
| Revenue by | Shri Abhijit, Sr. DR | |
| Date of Hearing | 09.04.2026 | |
| Date of Pronouncement | 21.04.2026 | |

ORDER

PER NARENDRA PRASAD SINHA, ACCOUNTANT MEMBER:

This appeal is filed by the Revenue against the order of National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as ‘CIT(A)’] dated 17.10.2025 for the Assessment Year (A.Y.) 2014-15 in the proceeding u/s 147 r.w.s. 144B of the Income Tax Act.

2. The brief facts of the case are that the assessee had filed his return of income for A.Y. 2014-15 on 14.11.2014 declaring total income of Rs.19,49,190/-. The case of the assessee was reopened on the basis of information that he had taken accommodation entry of Rs.59,97,950/-

from one Shri Sanjay Tibrewal. The assessment was completed u/s. 147 r.w.s. 144B of the Act on 27.03.2022 at total income of Rs. 79,47,140/-.

3. Aggrieved with the order of the AO, the assessee had filed an appeal before the first appellate authority, which was decided by the learned CIT(A) vide the impugned order and the appeal of the assessee was partly allowed.

4. Now the Revenue is in appeal before us. The following grounds have been taken in this appeal:

1. *Whether the Ld. CIT(A) has erred in law and on facts in deleting the addition of Rs. 59,97,950/- made under section 68 of the Act without appreciating the fact that Assessing Officer has thoroughly verified and proved that the assessee has made huge cash transactions through concerns run by Shri Sanjay Tiberwal, an accommodation entry provider as established by the Investigation Wing?.*
2. *The appellant craves leave to amend or alter any ground or add a new ground, which may be necessary.*
3. *It is therefore, prayed that the order of Ld. CIT(A) may be set aside and that of the Assessing Officer be restored.*

5. Shri Abhijit, the Ld. Sr. DR, submitted that an information was received by the AO that the assessee had taken accommodation entry of Rs. 59,97,950/- from one Shri Sanjay Tiberwal. He explained that a search action u/s. 132 of the Act was conducted in the case of said Shri Sanjay Tiberwal on 12.04.2019 wherein he had admitted that he was providing accommodation entries to various parties against commission. On the basis of this information the AO had made addition of Rs. 59,97,950/- being accommodation entry taken by the assessee from the concern of said Shri Sanjay Tiberwal. He submitted that the Ld. CIT(A) was not

correct in deleting the addition made on the basis of specific information as well as admission of the entry-provider.

6. Per Contra, Shri K. C. Thaker, the Ld. AR of the assessee, submitted that the assessee has not made any transaction of Rs.59,97,950/- through Shri Sanjay Tiberwal or his concerns and this allegation was out-rightly denied in the submissions made before the AO. However, the AO had ignored the submissions of the assessee and made the addition in a routine and mechanical manner without verifying the facts. The Ld. AR contended that the AO was not correct in making the addition by treating a non-existent transaction as an accommodation entry. He submitted that the Ld. CIT(A) had rightly appreciated the facts of the case and deleted the addition. He, therefore, strongly supported the order of the Ld. CIT(A).

7. We have considered the rival submissions. It is found that the AO had made the addition of Rs. 59,97,950/-, on account of accommodation entry taken from Shri Sanjay Tiberwal. However, the exact date of transactions and the name of the persons/concerns from whom this amount was received is nowhere mentioned in the assessment order. When the assessee had out-rightly denied the transaction in the course of assessment proceeding, the AO should have made inquiry and verified the facts about receipt of the accommodation entry amount or otherwise. The AO had made the addition in a mechanical manner without verifying the facts of the case and also without controverting the submissions of the assessee. It is found that Ld. CIT(A) had rightly appreciated the facts of the case and given the following findings:

“Thus, in the entire assessment order, the AO has not discussed the nature of evidences on the basis of which Rs.59,97,950/- has been treated as unexplained credit in the hands of the Appellant and, accordingly, added u/s 68 of the Act. The AO has simply stated that as per findings of the search, the Appellant has received an accommodation entry of Rs 59.97.950/- There no mention of even any statement recorded u/s 132(4) of the Act in which it has been stated that the Appellant has received accommodation entry Thus, in my considered opinion, addition of Rs. 59.97,950/-made by the AO u/s 68 of the Act is without any supporting evidence. as regards to the nature of the accommodation entry and other related details. The AO has failed to carry out any enquiries in this regard. Accordingly, I have no hesitation to hold that the addition of Rs. 59,97,950/- has been made by the AO in a non-speaking manner. Accordingly, the AO is directed to delete the addition of Rs.59.97.950// made u/s 68 of the Act. Grounds are, thus, allowed”.

8. The Revenue has been unable to controvert the findings of Ld. CIT(A). The addition made by the AO was bereft of any evidence. We, therefore, do not find any reason to interfere with the findings of Ld. CIT(A). Accordingly, the order of the Ld. CIT(A) is upheld and the grounds taken by the Revenue are dismissed.

9. In the result, the appeal of the Revenue is dismissed.

Order pronounced in the Court on 21/04/2026 at Ahmedabad.

Sd/-
(SAJAY GARG)
Judicial Member
Dated – 21st April, 2026

Neelesh, Sr. PS

Sd/-
(NARENDRA PRASAD SINHA)
Accountant Member

(True Copy)

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1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / Concerned CIT
4. आयकर आयुक्त (अपील) / The CIT(A)

5

5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण / DR, ITAT,
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