

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

**BEFORE SHRI TR SENTHIL KUMAR, JUDICIAL MEMBER AND
SHRI NARENDRA PRASAD SINHA, ACCOUNTANT MEMBER**

**ITA No. 252/AHD/2025
Assessment Years: 2014-15**

Money Assurance Services, 615, Wing – B, Maradia Plaza, Nr. Associated Petrol Pump, C.G. Road, Ahmedabad, Gujarat - 380006 [PAN – AAUFM2327G] (Appellant)	Vs.	Income Tax Officer – Ward 1(3)(1), Ahmedabad, Gujarat - 380015 (Respondent)
Assessee by	None	
Revenue by	Shri R P Rastogi, CIT-DR	
Date of Hearing	25.03.2026	
Date of Pronouncement	07.04.2026	

ORDER

PER NARENDRA PRASAD SINHA, ACCOUNTANT MEMBER:

This appeal is filed by the assessee against the order of National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as ‘CIT(A)’] dated 21.11.2024 for the Assessment Year (A.Y.) 2014-15.

2. When the matter was called for hearing, none was present on behalf of the assessee. This matter was first fixed for hearing on 03.07.2025 when the assessee’s AR had filed an adjournment application and the matter was adjourned to 16.07.2025. Thereafter, the matter was fixed for hearing on different dates viz. 16.07.2025, 04.08.2025, 02.09.2025,

02.02.2026 and finally on 25.03.2026 but no compliance was made on behalf of the assessee on any of the dates. In fact, one of the notices sent to the address of the assessee was also returned unserved with postal remark 'Not known'. Shri Vivek Chavda, Advocate had been filing adjournment applications on behalf of the assessee and as per his request adjournment was allowed from time to time. However, he did not file his authorization in the matter in spite of specific direction of the Bench. Since the assessee has been non-compliant all along, we are constrained to decide the matter *ex-parte* on the basis of materials available on record.

3. We have heard Shri R P Rastogi, the Ld. CIT-DR. The brief facts of the case are that the assessee did not file its return of income for A.Y. 2014-15. The case was reopened on the basis of information that assessee had received interest of Rs. 1,44,64,000/-. In the course of assessment proceeding no compliance was made by the assessee. The AO had issued notice u/s. 133(6) of the Act and obtained copy of bank statement. It transpired that total credit in the bank account with HDFC bank was Rs.3,41,48,620/- and there was cash deposit of Rs. 50,00,000/- also in the bank accounts. Further as per information available with the AO, the assessee had also received accommodation entry of Rs. 2,35,50,000/- which was also treated as unexplained. Accordingly, the AO had made total addition of Rs. 7,71,62,620/-. The assessment was completed u/s 147 r.w.s 144 of the Act on 22.03.2022 at total income of Rs. 7,71,62,620/-.

4. The appeal filed by the assessee against the order of the AO was dismissed by the Ld. CIT(A) vide the impugned order, as no compliance was made before him in the course of appellate proceeding.

5. Now the assessee is in second appeal before us. The assessee has taken the following grounds in this appeal:

- 1.1. *The order passed u/s. 250 on 21.11.2024 for A.Y.2014-15 by NFAC, Delhi upholding the addition of Rs.7,71,62,620 made by AO is wholly illegal, unlawful and against the principles of natural justice.*
- 1.2. *The Ld. CIT(A) has grievously erred in law and or on facts in not considering fully and properly the eccentric facts and evidence available with regard to the impugned additions.*
- 1.3. *The Ld. CIT(A) has grievously erred in law and on facts in not carrying out any inquiry with regard to the applicability of the provisions of Income tax Act and thereby violated the principle of natural justice. Therefore, the appellant shall be granted opportunity to produce additional evidences*
- 2.1. *The Ld CIT(A) has grievously erred in law and or on facts in upholding the reopening u/s 147 of the Act.*
- 2.2. *That in the facts and/or in the law, the Ld. CIT(A) ought not to have upheld the reopening u/s 147 of the Act.*
- 3.1. *The Ld CIT(A) has grievously erred in law and on facts in upholding the addition of Rs.3,91,48,620/- being unexplained cash credits and deposits u/s 69A*
- 3.2. *That the Ld. CIT(A) ought not to have upheld addition of Rs.3,91,48,620/- being unexplained cash credits and deposits u/s 69A*
- 3.3. *The Ld. CIT(A) has erred in law and or on facts in upholding the addition without appreciating that these were regular business transactions through banking channels.*
- 4.1. *The Ld. CIT(A) has erred in law and or on facts in upholding the addition of Rs.1,44,64,000/- as interest income under Income from Other Sources*

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- 4.2 *That the Ld. CIT(A) ought not to have upheld the addition of Rs. 1,44,64,000/- as interest income when the source and nature was explained*
- 5.1 *The Ld. CIT(A) has erred in law and or on facts in upholding the addition of Rs.2,35,50,000 as accommodation entries.*
- 5.2 *That the Ld CIT(A) ought not to have upheld the addition when no specific evidence was brought on record regarding nature of these entries.*
- 6.1 *The Ld. CIT(A) has grievously erred in law and or on facts in upholding the invocation of Section 115BBE without any satisfaction being recorded*
- 6.2 *The Ld. CIT(A) ought to have appreciated that mechanical application of Section 115BBE without speaking order is not permissible in law.*
- 7.1 *The Ld. CIT(A) has erred in not appreciating that under Section 144B(1) (iv), the AO is required to serve a draft assessment order in case he was of the contrary view to the appellant assessee.*
- 7.2 *The Ld. CIT(A) has failed to appreciate the AO ought to have issued draft assessment order u/s 144B of the Act before passing final assessment order.*
- 7.3 *The Ld. CIT(A) has grievously erred in not following the decision of Hon'ble Delhi High Court in the case of "Piramal Enterprises Limited vs PCIT wherein it was held that compliance with Section 144B procedure is not merely directory but mandatory in nature.*
- 8.1 *The Ld. CIT(A) has grievously erred in law and or on facts in not granting opportunity of being heard conferencing via video*
- 8.2 *The Ld. CIT(A) has failed to appreciate that granting opportunity of being heard via video conferencing facility is mandatory in the new regime of Faceless appeal process.*
- 8.3 *The Ld. CIT(A) ought to have granted opportunity of being heard via videoconferencing.*

It is therefore prayed that the addition made by Ld. AO and upheld by the CIT(A) may please be deleted in the interest of natural justice and considering the eccentric facts of the case.

6. As already discussed earlier, no compliance was made by the assessee in the proceeding before us. We have, however, carefully

considered the materials available on record. Since the assessee did not file its return of income and also not made any compliance to the notices issued by the AO in the course of assessment proceeding, we do not find any merit in the legal ground challenging the reopening of the case. Accordingly, the legal grounds taken by the assessee are dismissed.

7. As regarding merits of the addition we find that the AO had made total addition of Rs. 7,71,62,620/- which were on following accounts:

Sr. No.		Amount
1.	Total Credit in Bank Account - HDFC	3,41,48,620/-
2.	Cash Deposit in Bank Accounts	50,00,000/-
3.	Accommodation entries taken by the assessee	2,35,50,000/-
4.	Interest Income	1,44,64,000/-
Total		7,71,62,620/-

It is found that the assessee had another bank accounts with Yes Bank Limited and IndudInd Bank, the details of which were not received in spite of issue of notice u/s. 133(6) of the Act by the AO. Nevertheless, we still

find possibility of duplication in the various additions as made by the AO. The interest income of Rs.1,44,64,000/- as well as the accommodation entry of Rs. 2,35,50,000/- was received through bank accounts only. Thus, when the AO had made additions for accommodation entry and interest income along with separate addition for all the credit entries in the HDFC bank accounts, chances of duplication cannot be ruled out. The AO should have excluded the interest income and accommodation entry credited to the HDFC bank account and thereafter considered only the balance amount for making the addition for credit entries in the account. Further, the addition of the entire credit entries appearing in the bank account without considering the debit entries, also cannot be justified. In view of these facts, we deem it proper to set aside the matter to the file of Jurisdictional AO with a direction to verify the duplicate additions on account of accommodation entry and interest income vis-à-vis the credit entries appearing in the bank accounts. The AO will be free to obtain the bank statement of other two accounts of the assessee for this purpose. Accordingly, the grounds taken by the assessee are partly allowed for statistical purpose.

8. In the result, the appeal of the assessee is partly allowed for statistical purpose.

Order pronounced in the Court on 07/04/2026 at Ahmedabad.

Sd/-
(TR SENTHIL KUMAR)
Judicial Member
Dated – 07th April, 2026

Neelesh, Sr. PS

Sd/-
(NARENDRA PRASAD SINHA)
Accountant Member

(True Copy)

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

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / Concerned CIT
4. आयकर आयुक्त (अपील) / The CIT(A)
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण / DR, ITAT,
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आदेशानुसार/BY ORDER,
उप/सहायक पंजीकार (Dy./Asstt.Registrar)
आयकर अपीलीय अधिकरण, अहमदाबाद / ITAT, Ahmedabad