

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

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

आयकर अपील सं./I.T.A. No. 2070/Ahd/2024
(निर्धारण वर्ष / Assessment Year : 2015-16)

DCIT Circle-2(1)(1), Ahmedabad	बनाम / Vs.	Jas Infra Space Pvt. Ltd. Shyam House, Shiv Seva Nand Society, Vijay Nagar School, Vadaj, Ahmedabad, Gujarat - 380013
स्थायी लेखा सं./जीआइआर सं./PAN/GIR No. : AACCCJ7331E		
(Appellant)	..	(Respondent)

Assessee by :	Shri Parin Shah, A.R.
Revenue by :	Shri R P Rastogi, CIT. DR

Date of Hearing	05/05/2026
Date of Pronouncement	06/07/2026

(आदेश)/ORDER

Per Sanjay Garg, Judicial Member:

The present appeal has been filed by the Revenue against the order of the Ld. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (hereinafter referred to as “NFAC”), Delhi (hereinafter referred to as “CIT(A)”), dated 09.10.2024 passed under Section 250 of the Income Tax Act, 1961 (hereinafter

referred to as the "Act") and relates to Assessment Year (A.Y.) 2015-16.

2. Revenue in this appeal has taken following grounds of appeal:

1. *Ground1, "Whether on the facts and in the circumstances of the case and in law, the Ld. CIT(A) was justified in deleting the addition made to the tune of Rs, 44,49,09,474/-on account of unexplained cash credit u/s 68 of the Act, without appreciating the facts of the case?"*
2. *Ground2."Whether on the facts and in the circumstances of the case and in law, the Ld. CIT(A) was justified in deleting the addition made to the tune of Rs. 3,84,64,133/- on account of unexplained expenditure u/s 69C of the Act, without appreciating the facts of the case?"*
3. *Ground3. "Whether on the facts and in the circumstances of the case and in law, the Ld. CIT(A) was justified in deleting the addition made to the tune of Rs. 30,97,68,004/- on account of unexplained advances from debtors u/s 68 of the Act, without appreciating the facts of the case?"*
4. *Ground4. The appellant craves leave to amend or alter any ground or add a new ground, which may be necessary."*
5. *Ground5. It is, therefore, prayed that the order of Ld. CIT(A) may be set aside and that of the Assessing Officer be restored?"*

Ground No.1

3. The Revenue vide ground no.1 has agitated against the action of the Ld.CIT(A) in deleting the addition made by the Assessing Officer (in short 'the AO') of Rs.44,49,09,474/- on account of unexplained cash credits u/s 68 of the Act.

4. The brief facts relating to the issue are that during assessment proceedings, on verification of audit report and balance sheet furnished by the assessee for the year under consideration, the AO noted that the assessee has shown unsecured loans from various parties including Directors and relatives amounting to Rs.149.66 Crores. On going through the details of the creditors, the AO pointed out 14 companies, which, in his view, were shell companies. The AO observed that the assessee had taken loan of Rs.18,01,93,895/- from the said 14 companies. The AO asked the assessee to furnish complete details relating to the loans taken from the said companies and explain the creditworthiness and identity of the said companies and genuineness of the transactions by filing relevant documentary evidences. In response, the assessee furnished the requisite details. However, the AO observed that the assessee company had not filed the confirmations of accounts from the said companies, bank statements and the copies of Income Tax Return (in short 'ITR') of the said 14 companies. The AO, therefore, held that the assessee had failed to prove the creditworthiness of the creditors, their identity and genuineness of the transactions. He, therefore, treated the aforesaid credit amount of Rs.18,01,93,895/- as non-genuine and added the same into the income of the assessee as unexplained credits.

4.1 The AO further observed that the assessee had shown payment of Rs.93,12,893/- on account of interest on the aforesaid

loan amount taken from the said companies, which, the AO also held as non-genuine. He, therefore, added the interest amount of Rs.93,12,893/- also to the income of the assessee.

4.2 The Ld. AO further observed that the assessee had also shown loans from the following 5 parties totaling to Rs.26,47,15,579/- and paid interest on such loans of Rs.2,91,51,240/-:

<i>S. No.</i>	<i>Name of party</i>	<i>Loan accepted during the year excluding interest</i>	<i>Interest paid</i>	<i>Income declared as per ITR</i>
1.	<i>Hannah Enterprises Pvt. Ltd.</i>	<i>16853233</i>	<i>967674</i>	<i>-</i>
2.	<i>Biraj Man Impex Pvt. Ltd.</i>	<i>117628202</i>	<i>10211590</i>	<i>Rs.901590 for A.Y. 14-15</i>
3.	<i>Boston Tradelink Pvt. Ltd.</i>	<i>73146797</i>	<i>7102029</i>	<i>Rs.315630 for A.Y. 15-16</i>
4.	<i>Bawaca Business Machinerics Ltd.</i>	<i>4370708</i>	<i>4856342</i>	<i>Rs.3927990 for A.Y. 15-16</i>
5.	<i>Vansh Glass Industries Pvt. Ltd.</i>	<i>52716639</i>	<i>6013605</i>	<i>Rs.1189750 for A.Y. 15-16</i>
	<i>Total</i>	<i>264715579</i>	<i>29151240</i>	

4.3 He observed that for the preceding year i.e. A.Y. 2014-15, in the assessment carried out u/s 143(3) of the Act, addition was made in respect of credits taken by the assessee from the said

parties. He observed that the assessee had again shown credits in the year under consideration from the same 5 parties. He observed that though the assessee, during the course of assessment proceedings, had furnished copy of ITR, confirmation in respect of parties mentioned at Sl. Nos. 2 to 5, but, failed to explain the creditworthiness of these parties as the income declared by them in their returns did not indicate their creditworthiness to lend such a sum to the assessee.

4.4 The AO, therefore, observed that the unsecured loans shown by the assessee from the aforesaid 19 parties were not supported with the complete documentary evidences. The AO further observed that the assessee should have furnished the confirmation and ITR duly signed by the Director of the creditor companies, but, the assessee had failed to do so. He, therefore, treated the aforesaid unsecured loans as non-genuine and added the same as unexplained credits into the income of the assessee and also disallowed the interest paid thereon.

5. The Ld.CIT(A), however, deleted the additions made by the AO. Ld. CIT(A) observed that the assessee was a Private Limited Company and during the year, the assessee was engaged in the business of development of project of office complex known as City Centre consisting of more than 1600 shops. That the assessee, in the course of business, had accepted the deposits from various Private Limited Companies. He observed that the assessee

had submitted ample documentary evidences including confirmations from the parties, copies of Income Tax Acknowledgements (ITR acknowledgement), bank statements and audit reports etc. of the loan providers and other documents to establish the identity, creditworthiness and genuineness of loan transactions. The Ld.CIT(A) further observed that the Co-ordinate Bench of this Tribunal in own case of the assessee vide common order for A.Ys. 2012-13, 2013-14 & 2014-15 had deleted the similar additions made by the AO u/s 68 of the Act. In the said order, the ITAT had noted that the assessee had provided sufficient evidences to substantiate the genuineness of the transactions. The Ld.CIT(A) further observed that in this case for the year under consideration also, the assessee duly demonstrated the identity of the creditors by providing PAN details, ROC filings and other registration details. He further observed that even in case of some of the entities / creditors like Brajdharm Mercantile Pvt. Ltd. and Shiv Om Investment & Consultancy Ltd., their net worth statements showed significant assets indicating their financial ability to provide the loans. He further referred to the bank statements and observed all the loans were routed through banking channel. He observed that considering the documentary evidences furnished by the assessee and also in the light of the decision of the Tribunal in the case of the assessee for earlier assessment years, the additions made by the AO were not sustainable. He also observed that the interest payment was made by the assessee through banking channel, duly deducting TDS

thereupon. He, therefore, also deleted the disallowance made on interest expenditure by the AO.

6. Now, the Revenue has come in appeal before us.

7. We have heard the rival contentions of the learned representatives of the parties and gone through the records. We note that the findings given by the AO are very cryptic. Ld. AO, in a general manner, has mentioned that many of the creditor companies were shell companies, without pointing out as to how and on what basis, the AO arrived at the said conclusion, especially when, the assessee had furnished the registration details/certificates of the said companies with the Registrar of the companies. The AO observed that the assessee had not filed confirmation of accounts, bank statements and copies of ITR to prove the creditworthiness of the lender companies, however, the Ld.CIT(A) has noted that the assessee had furnished the detailed evidences including the ROC details, confirmation copies of ITR acknowledgments etc. as noted above. The Ld. Counsel for the assessee, at this stage, has invited our attention to the paper book filed by the assessee, which contains not only the copies of the income tax returns alongwith computation of total income, copy of audit report with financial statements for F.Y. 2015-16 and copy of tax audit report for F.Y. 2015-16 in the case of the assessee, but also, the confirmations, ITR acknowledgements, bank statements and audit reports etc. relating to 16 parties out of total 19 parties

as discussed above. In respect of remaining three parties, namely, Jalaram Finvest Ltd., Neelgagan Nirman Private Limited & Pace Properties Private Limited, chart given in the assessment order did not show that the assessee during the year had obtained any loan from them. Even no payment of interest in the case of Jalaram Finvest Ltd. has been mentioned in the chart. However, in case of Neelgagan Nirman Private Limited and Pace Properties Private Limited, a payment of interest of Rs.6,75,000/- and Rs.5,40,000/-, respectively, has been shown.

7.1 We have thoroughly gone through the paper books furnished by the assessee and find that the assessee had duly furnished the requisite details as noted above before the AO also, vide his various submissions dated 29.07.2017, 01.08.2017, 28.11.2017, 07.12.2017, 11.12.2017, 14.12.2017, 19.12.2017 & 22.12.2017 made to the AO in response to notice issued u/s 142(1) of the Act. These requisite details were furnished by the assessee before both the lower authorities. Further, we note that the assessee has claimed that the assessee has paid interest of Rs.80,97,893/- in respect of 14 parties as given in first chart by the AO and interest of Rs.2,91,51,240/- in respect of 5 parties as mentioned in the second chart. The AO, however, has mentioned the interest payment of Rs.93,12,893/- in the first chart which included the payment of Rs.6,75,000/- to Neelgagan Nirman Private Limited and of Rs.5,40,000/- to Pace Properties Private Limited. The assessee has not furnished any details relating to payment of interest to the

aforesaid two parties. Thus, the assessee has not given any explanation relating to the alleged interest payment of Rs.12,15,000/- to the aforesaid two parties. Except that, the assessee has duly furnished the requisite evidences to prove the identity and creditworthiness of the creditors and genuineness of the transactions. The Ld. AR of the assessee has also demonstrated that the assessee has made repayments of loans to the parties from time to time. The Co-ordinate bench of the Tribunal in the own case of the assessee for the earlier assessment year vide common order dated 28.01.2022 passed in ITA No.2130/Ahd/2017 & Ors. has deleted the identical additions in respect of the 5 parties which are mentioned in the Table-2 of the assessment. The Ld.CIT(A) has given his findings on the basis of voluminous evidences given by the assessee and also in the light of the order of the Tribunal in the case of the assessee for the earlier assessment years. We do not find any infirmity in the order of the Ld.CIT(A) except for the interest payment of Rs.12,15,000/- paid to two parties, regarding which, the assessee has not given any explanation. Though, the AO has mentioned in the assessment order that the assessee had paid interest payment to the said two parties, however, the assessee in his submissions has not mentioned about any interest payment to the aforesaid two parties. Therefore, the AO is directed to verify the interest payment in respect of the aforesaid two parties. Matter is restored for verification of this limited issue to the file of the AO. The addition relating to the unsecured loans taken by the assessee and

interest payment made thereupon to the creditors in case of the remaining 17 parties, as discussed above is ordered to be deleted. With the above observations, appeal of the Revenue is treated as allowed for statistical purposes.

8. In the result, the appeal of the Revenue is treated as allowed for statistical purposes.

This Order pronounced on 06/07/2026

Sd/-
(NARENDRA PRASAD SINHA)
ACCOUNTANT MEMBER

Ahmedabad; Dated 06/07/2026

S. K. SINHA

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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, अहमदाबाद / DR, ITAT, Ahmedabad
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

उप/सहायक पंजीकार (Dy./Asstt. Registrar)
आयकर अपीलीय अधिकरण, अहमदाबाद / ITAT, Ahmedabad