1. That this present submission being filed in a consolidated manner in the case of UFLEX Limited for **AYs 2020-21, 2021-22 and 2022-23**. That the caseswere selected for scrutiny under CASS on account of **TP risk parameters** and reference under section 92CA was made to the Ld. TPO. **Subsequently, search proceedings under section 132(1) were conducted in the case of Uflex Ltd. on 21.02.2023;however, no incriminating material forming the basis of the impugned additions was found or seized during the search.**

2. That the additions made by the AO were challenged before CIT(A) and the summary of additions sustained by the Ld. CIT(A) is summarized as follows:

Nature of addition	2020-21				2021-22				2022-23			
	AO	Pg no. of order	CIT(A) sustained	Pg no. of order	AO	Pg no. of order	CIT(A) sustained	Pg no. of order	AO	Pg no. of order	CIT(A) sustained	Pg no. of order
1 Addition u/s 68 – Unsecured Loans	34,75,00,000	52-100	15,50,00,000	257-271	25,25,00,000	64-79	4,00,00,000	129-140	20,35,00,000	61-73	10,50,00,000	127-137
2 Addition u/s 69C – Alleged Commission	69,50,000	100	31,00,000	2558	50,50,000	79	8,00,000	2559	40,70,000	73	21,00,000	137
3 Disallowance of Deduction u/s 80-IB	58,97,071	102-104	0	271 274	1,91,21,776	79-81	0	140-143	-	-	-	-
4 Disallowance of Rent Expense	2,40,00,000	104-105	0	274-275	2,04,00,000	81-82	0	143	2,07,60,000	73-74	0	137-138
5 Disallowance u/s 14A r.w. Rule 8D	7,04,621	105-106	7,04,621	275	-	-	-	-	-	-	-	-
6 Addition u/s 69A – Cash Receipts	84,00,00,000	106-109	0	275-285	84,00,00,000	82-119	0	143-153	84,00,00,000	74-106	84,00,00,000	144-149
7 TP Adjustment – Outstanding Receivables	33,04,951	110-111	0	288-291	41,15,310	119-121	0	156-160	56,41,069	106-107	0	140-144
8 TP Adjustment – Corporate Guarantee Fee	6,78,72,478	110-111	6,73,911	285-288	5,49,35,989	119-121	25,54,636	153-156	2,66,73,719	106-107	24,24,883.5	138-140
Total	129,62,29,121		15,94,78,532		119,61,23,075		4,33,54,636		110,06,44,788		94,95,24,883.5	

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3. That the Assessing Officer has made certain other disallowances in the computation sheet without any reference to or discussion of the same in the assessment order, and the CIT(A) has erroneously sustained such disallowances without recording any factual findings in support thereof. The summary of the same is as under:-

Nature of disallowance	2020-21				2021-22			
	AO's Computation	Page no. of PB	CIT(A) sustained	Page no. of order	AO's Computation	Page no. of PB	CIT(A) sustained	Page no. of order
9 Foreign Tax Credit	269565	44-48	269565	292	-	-	-	-
10 Adjustment of re-measurement of net defined benefit liability to book profit u/s 115JB AY 2020-21 As per AO in Computation Sheet: 1,918,517,208 As per computation by Assesse: 1,826,682,404	91834804	44-48	91834804	292	-	-	-	-
11 Disallowance of 80M	-	-	-	-	4402500	2401-2404	4402500	161-162
12 Adjustment u/s 115JB AY 2021-22 As per AO in Computation Sheet: 5,476,803,831 As per computation by Assesse: 3,867,537,667	-	-	-	-	1609266164	2405-2408	1609266164	No findings
Total	92104369		92104369		1613668664		1613668664	

4. That aggrieved by the order of the CIT(A), the appellant has preferred the present appeal by filing Form 36 and raising appropriate grounds of appeal. The ground wise submission of the same are as under:-

5. **Submissions on Ground Nos. 6-9 (AY 2020-21), Ground Nos. 5-8 (AY 2021-22) & Ground Nos. 4-7 (AY 2022-23) filed by appellant: Discharge of Onus under Section 68 – Loans Accepted in Earlier Years, Repayments Duly Made, and Survey Statement Cannot Form the Sole Basis for Addition**

Submissions on Ground Nos. 1-2 (AY 2020-21 and 2021-22) and Ground No. 4 for AY 2021-22 filed by department: Discharge of Onus under Section 68 – Deletion of Addition under Section 68 Despite Alleged Lack of Creditworthiness, Genuineness, and Reliance on Documentary Evidence

5.1. **Unwarranted Section 68 Addition on Properly Documented Loans**

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It is respectfully submitted that the CIT(A) erred in sustaining the additions made in respect of unsecured loans raised by the Appellant during the relevant assessment years AY 2020-21, 2021-22 and 2022-23, and that the Department equally erred in challenging the deletions granted by the CIT(A) for AY 2020-21 and 2021-22, failing to appreciate that the said loans were duly supported by loan agreements and that the identity, creditworthiness, and genuineness of the lenders stood fully established to the satisfaction of the requirements of Section 68 of the Income-tax Act, 1961. For ready reference, a chart demonstrating the identity, creditworthiness, and genuineness of the lenders is reproduced hereunder:-

TABLE A :- IDENTITY OF LENDERS :- Appeal by Appellant --- Addition sustained by CIT(A)for AY 2020-21,2021-22 & 2022-23

Name of the Lender	A.Y.	ITR	NBFC Registration	Reply u/s 133(6)	MCA Records	Loan agreement along with promissory notes and post dated cheque	Form 16A	GST Reg-06	C(IT(A))
# Pravesh Credit and Securities Limited	2020-21	63	55-57	No allegation	102-104	79-101	75-78	-	257
	2021-22	742				759-765	754-757	-	
	2022-23	928				903-922	924-927	-	
Radha Fincom Ltd.	2020-21	115	107-109	106	136-137	129-135	127-128	-	258
	2021-22	769		No allegation		787-793	782-785	-	
	2022-23	943				977-986	975-976	-	
Bangbhumi Traders Pvt. Ltd.	2020-21	147	-	138-139	173	166-172	162-165	-	260-261
# Carrillion VP Estates Pvt. Ltd.	2020-21	191	-	174-177	224	217-223	209-216	-	261
First Agri-Tech Pvt. Ltd.	2020-21	254	-	225-228	278	261-277	255-260	229-230	261-262
	2022-23	1082	-	2529-2532		1099-1108	1097-1098		
# Hapline Commodities Pvt. Ltd.	2020-21	287	-	279-280	320-321	311-318	303-310	-	263
# Manali Tradecom Pvt. Ltd.	2020-21	343	-	322-323	362	352-361	344-351	-	265
# Mayur India Private Limited	2020-21	379	364	363	390	384-389	380-383	-	265
Premanarayan Mercantile Pvt. Ltd.	2020-21	404	N/A	391-394	450	425-448	419-424	-	268
	2022-23	1050	-	2523-2527		1070-1079	1066-1069	-	

Loans accepted in earlier years from these Parties (Refer Page 22 of Written Submissions

Interest paid on unsecured loans accepted as genuine - Page 246 CIT(A) AY 2020-21

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									CIT(A)
Supriya Fincom Pvt. Ltd.	2020-21	462	453-455	452	495	479-494	475-478	-	269
	2021-22	796		No allegation		804-809	810-813	-	
	2022-23	992				1028-1047	1024-1027	-	
Target Vincom Pvt. Ltd.	2020-21	502	N/A	496-497	528-529	520-527	516-519	-	270

TABLE B :- IDENTITY OF LENDERS :- Appeal by department AY 2020-21--- Addition deleted by CIT(A)

Name of the Lender	A.Y.	ITR	NBFC Registration	Reply u/s 133(6)	MCA Records	Loan agreement along with promissory notes and post dated cheque	Form 16A	GST Reg-06	CIT(A)
Pioneer Iron & Steel Corporation Ltd	2020-21	1181	N/A	As per AO no reply to 133(6)	1198-1199	1188-1197	1182-1187	N/A	258
Shree Sudarshan castings Pvt Ltd	2020-21	1208	1201	No allegation	1246	1240-1245	1238-1239	N/A	259
Anjula Steels Pvt Ltd	2020-21	1254	1249	1247-1248	1283	1277-1282	1275-1276	N/A	260
APM Finvest Ltd	2020-21	1297	1291-1292	1285-1290	1372-1376	1357-1371	1355-1356	N/A	260
Greencrest Financial Services Ltd	2020-21	1389	1378	1377, 1379-1381	1437	1419-1436	1413-1418	N/A	262
GSR Tradefin Pvt. Ltd.	2020-21	1478	1440	1438-1439 ,1441-1442	1493	1483-1492	1479-1482	N/A	262
Kamalpur Finance Ltd.	2020-21	1512	N/A	1494-1497	1548-1549	1538-1545	1530-1537	N/A	263
Maharaj Ji Agro Products Pvt. Ltd.	2020-21	1578	N/A	1550-1553	1624-1625	1566-1573	1562-1565	1599-1609 (FSSAI) , 1610 ((GST Reg-06)	264
Neelam Securities Marketing Pvt Ltd	2020-21	1636	1630	1627-1629	1679-1680	1662-1678	1658-1661	N/A	265-266
Paritosh Electricals Pvt Ltd	2020-21	1690	1685	1683-1684	1717-1718	1709-1716	1705-1708	N/A	266
Perfect Businesss Advisory services Pvt Ltd	2020-21	1747	N/A	1719-1721	1760	1749-1752 , 1757-1759	1753-1756	N/A	267
Prachur Traders Pvt Ltd	2020-21	1773	1763	1761-1762,1764-	1799-1813	1790-1798	1788-1789	N/A	267

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				1765					CT
Ricon Merchants Pvt Ltd	2020-21	1821	N/A	1814-1817	1843-1858	1835-1842	1833-1834	N/A	268
Shyamnagar Packaging Works Pvt Ltd	2020-21	1862	N/A	As per AO no reply to 133(6)	1896	1886-1895	1884-1885	N/A	269
Unity Merchandise Pvt Ltd	2020-21	1906,1919	N/A	1897-1899	1930	1922-1929	1920-1921	N/A	270
Zigma Electricals Pvt Ltd	2020-21	1955	N/A	1931-1934	1966-1967	1958-1965	1956-1957	N/A	270

TABLE B 1 :- IDENTITY OF LENDERS :- Appeal by department AY 2021-22--- Addition deleted by CIT(A)

Name of the Lender	Unsecured Loan raised via Banking Channels	Documents submitted	Page no. of CIT(A) order	Page no. of Findings from CIT (A)
M/s Hallow Securities Private Limited	5,00,00,000	ITR, NBFC Registration, Confirmation, Loan Agreement along with Promissory Note and Post Dated Cheque, Form 16A, Repayment Ledger, Bank Statement of the Lender Entity, Bank Statement Evidencing Repayment, Audited Financial Statements	14-20	129-132
M/s Dhankalash Distributors Pvt. Ltd	10,00,00,000	ITR,MCA Records, Confirmation, Loan Agreement along with Promissory Note and Post Dated Cheque, Form 16A, Bank Statement of the Lender Entity, Bank Statement Evidencing Repayment, Audited Financial Statements	20-25	133-135
Kamalpur Finance Ltd	1,00,00,000	ITR, MCA Records, Confirmation, Loan Agreement along with Promissory Note and Post Dated Cheque, Form 16A, Bank Statement of the Lender Entity, Bank Statement Evidencing Repayment, Audited Financial Statements,	34-38	136-137
MaharajiAgro Products Pvt. Ltd	3,50,00,000	ITR, Reply U/S 133(6), MCA Records, Confirmation, Loan Agreement along with Promissory Note and Post Dated Cheque, Form 16A, Bank Statement of the Lender Entity, Bank Statement Evidencing Repayment, Audited Financial Statements ,FSSAI document, GST reg-06	38-41	137
Neelam Securities Pvt. Ltd	1,00,00,000	ITR, NBFC Registration, MCA Records, Confirmation, Loan Agreement along with Promissory Note and Post Dated Cheque, Form 16A, Bank Statement of the Lender Entity, Bank Statement Evidencing Repayment, Audited Financial Statements	42-46	137-138

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Paritosh Electricals Pvt Ltd.	25,00,000	ITR, NBFC Registration,MCA Records, Loan Agreement along with Promissory Note and Post Dated Cheque, Form 16A, Bank Statement of the Lender Entity, Bank Statement Evidencing Repayment, Audited Financial Statements	47-50	138-139
Ricon Merchants Pvt Ltd	50,00,000	ITR, NBFC Registration, Reply U/S 133(6), MCA Records, Confirmation, Loan Agreement along with Promissory Note and Post Dated Cheque, Form 16A, Bank Statement of the Lender Entity, Bank Statement Evidencing Repayment, Audited Financial Statements.	50-54	139-140

TABLE C :- GENUINENESS AND CREDITWORTHINESS OF LENDERS :- Appeal by Appellant — Addition sustained by CIT(A)for AY 2020-21,2021-22 & 2022-23

Lender Entities	A.Y.	Unsecured Loan raised via Banking Channels	Share capital including reserves and surplus	Non-Current Investments/Trade Receivables/Fixed Assets	Short term Loans & Advances	Cash & Cash Equivalents	Total Revenue	Page no. of Financials	Bank statement of lender	Income declared in ITR/ Profit as per P& L	Page No. of PB
Pravesh Credit and Securities Limited	20-21	4,00,00,000	91.97 crores	5,96,06,28(TR)	86,67,44,260.90	4,32,345	8,39,04,207	64-74	59-60	20,44,773	63
	21-22	1,50,00,000	92.13 crores	18,41,26,067(TR)	77,94,41,935	12,66,114	18.80,34,700	743-753	740-741	19,28,402	742
	22-23	3,50,00,000	92.17 crores	14,92,53,230(TR)	77.67 crores	72,39,580	6,80,96,690	929-940	901-902	4,02,632(MAT)	928
Radha Fincom Limited	20-21	1,00,00,000	99.27 crores	12,62,93,278.34(TR)	86,94,73,963	14,14,783.83	19,68,13,824	116-126	112-113	33,37,852	115
	21-22	1,00,00,000	99.45 crores	17,17,49,742.37(TR)	84,86,05,289.60	2,50,85,992	24,74,50,480	770-781	767-768	24,26,585	769
	22-23	1,00,00,000	99.40 crores	16,57,24,740(TR)	1,15,25,86,170	3,16,39,760	15,41,32,420	944-974	942	4,17,280	943
Bangbhumi Traders Pvt. Ltd.	20-21	1,00,00,000	20.26 crores	3,79,31,500(NCI) 4,19,000(TR)	16,37,68,512	33,54,505.99	2,44,09,788.68	148-161	141–145	NIL	147
Carrillion VP Estates Pvt. Ltd.	20-21	1,00,00,000	24.13 lakhs	11,11,247(NCI)	2,07,27,589	16,361.60	23,06,098,27	192-208	179-188	8,69,880	191
First Agri-Tech Pvt. Ltd.	20-21	1,00,00,000	36.38 lakhs	20,25,173(NCI) 98,93,817(TR) 4,86,95,810(FA)	1,52,97,063	10,03,584	4,65,95,439	236-253	232-233	NIL	254
	22-23	2,00,00,000	65.24 lakhs	400.52 lakhs (PPE)	374.81 lakhs	63.85 lakhs	137.13 lakhs	1083-1096	1081	48,66,488	1082
Hapline Commodities Pvt. Ltd.	20-21	1,50,00,000	25.006 crores	4,77,87,500(NCI) 95,78,314(TR)	18,98,65,098	35,08,943	4,11,23,319	288-302	282-284	57,940	287
Manali Tradecom Pvt. Ltd.	20-21	50,00,000	12.85 crores	4,99,92,690(NCI) 50,56,000(TR)	8,70,78,952	1,80,328	78,71,498	329-342	325-326	11,69,360	343

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Mayur India Private Limited	20-21	50,00,000	3.04 crores	1,95,019(OCA) 4,40,866.58(tangible assets)	3,40,82,237	7,44,293.85	60,29,223.50	369-378	367	23,65,709(MAT)	379
Premanarayan Mercantile Pvt. Ltd.	20-21	1,00,00,000	13.59 lakhs	3,12,000(NCI)	85,83,200	4,31,814.74	62,22,125	405-418	398-400	3,18,569	404
	22-23	50,00,000	18,59,864	6,53,03,926(Total Assets)	5,90,46,907	49,48,931	81,38,819	1051-1065	1049	3,10,640	1050
Supriya Fincom Pvt. Ltd.	20-21	3,50,00,000	38,48,69,968	2,66,64,300(TR)	33,71,99,367	35,78,581	12,95,60,559	463-474	458-459	18,81,330(MAT)	462
	21-22	1,50,00,000	38.64 crores	5,95,55,528(TR)	30,61,37,945	1,96,48,772	5,47,52,135	815-826	795	20,63,898	796
	22-23	3,50,00,000	38.68 Crores	26,15,17,210(TR)	34,33,39,040	58,56,390	16,31,50,180	993-1023	989-991	7,00,354(MAT)	992
Target Vincom Pvt. Ltd.	20-21	50,00,000	12,88,45,675	7,84,20,000(NCI)	8,81,41,660	92,401	58,09,946	503-515	499-500	11,12,140(MAT)	502

TABLE D :- GENUINENESS AND CREDITWORTHINESS OF LENDERS :- Appeal by department in AY 2020-21— Addition deleted by CIT(A)

Lender Entities	Unsecured Loan raised via Banking Channels	Share capital including reserves and surplus	Non-Current Investments/Trade Receivables/Fixed Assets	Short term Loans & Advances	Cash & Cash Equivalents	Total Revenue	Page no. of Financials	Bank statement of lender	Income declared in ITR/ Profit as per P&L	Page No. of ITR
Pioneer Iron & Steel Corporation Ltd	50,00,000	30,61,59,706	13,40,17,518 (NCI) 15,01,480(TR) 4,71,02,766 (F.A)	1,38,679,173	10,83,875	2,08,97,102	1151-1180	1148	18,32,670	1181
Shree Sudarshan castings Pvt Ltd	1,00,00,000	47,07,83,186	3,00,000 (NCI) 4,03,48,600 (TR)	47,60,580.60	46,63,532.93	6,75,86,565.30	1209-1237	1202-1206	18,17,038.39	1208
Anjula Steels Pvt Ltd	1,00,00,000	9,80,99,132.37	5,92,05,000 (NCI)	7,00,00,000	₹1,43,99,380.37	1,12,67,695	1255-1274	1252	16,95,590	1254
APM Finvest Ltd	7,00,00,000	70,84,99,000	59,43,94,000 (NCI) 55,33,000(TR)	20,45,47,000	62,03,000	1,69,07,000	1298-1354	1294	1,77,42,780 (ITR)	1297
Greencrest Financial Services Ltd	1,00,00,000	50,38,20,239	90,00,000(NCI) 18,59,966(TR) 3,24,717(FA)	42,23,50,828	30,95,931	₹3,64,68,640	1390-1412	1383-1384	60,28,306	1389
GSR Tradefin Pvt. Ltd.	75,00,000	3,00,09,306	2,16,82,992(NCI) 10,540 (TR)	23,49,27,694	5,48,297	7,18,63,732	1454-1477	1445-1448	22,08,960	1478
Kamalpur Finance Ltd.	50,00,000	10,22,89;292.6	3,74,48,032(FA) 14,13,240(TR) 1,21,46,440.87(CI)	6,72,80,373	3,73,517.55	97,95,013.21	1513-1529	1500-1509	18,86,910	1512
Maharaj Ji Agro Products Pvt. Ltd.	2,75,00,000	2,58,29,316	3,00,06,428(FA) 1,86,49,305 (TR)	1,96,24,938	2,50,48,357	21,78,60,770	1579-1598	555 -1561,1574 1575	23,48,816	1578
Neelam Securities Marketing Pvt Ltd	50,00,000	5,66,58,876	2,10,29,191(NCI)	3,36,61,239	4,21,728	79,79,508	1637-1657	1632-1633	1,81,000	1636

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Paritosh Electricals Pvt Ltd	25,00,000	14,93,26,069	1,04,000(NCI)	1,39,897.014	22,89,917	6,55,96,204	1691-1704	1687	99,37,738	1690
Perfect Businesss Advisory services Pvt Ltd	1,00,00,000	15,13,62,006	4,27,34,066 (TA) 6,56,75,851(NCI) 2,95,02,115(CI)	1,12,15,217	44,33,666	51,66,537	1726-1746	1723,1748	(25,71,140)	1747
Prachur Traders Pvt Ltd	50,00,000	2,95,90,651.28	1,42,53,207.67(NCI) 42,469 (TR)	1,44,87,693.32	14,57,952.29	20,98,074.21	1774-1787	1767-1771	4,88,839.21	1773
Ricon Merchants Pvt Ltd	50,00,000	19,97,48,936.14	1,99,95,873(TR)	15,15,30,514	1,66,10,017.14	34,61,798	1822-1832	1818-1819	11,51,770	1821
Shyamnagar Packaging Works Pvt Ltd	1,00,00,000	126,60,27,858.73	114,40,43,744.07(NCI	2,89,37,528	10,69,19,948.66	2,37,75,622.35	1863-1883	1860	2,30,00,368.73	1862
Unity Merchandise Pvt Ltd	50, 00,000	2,43,30,370	36,79,447(NCI) 81,43,599(FA) 29,16,927(TR)	2,55,57,692	8,48,884	2,38,42,505	1907-1918	1901-1903	41,01,140	1906,1919
Zigma Electricals Pvt Ltd	50,00,000	8,05,78,235	33,876.75 (FA)	8,92,53,376 (LTLA)	8,30,000	2,11,93,649	1939-1954	1937	23,73,612.88	1955

TABLE D1 :- GENUINENESS AND CREDITWORTHINESS OF LENDERS :- Appeal by department in AY 2021-22— Addition deleted by CIT(A)

Lender Entities	Unsecured Loan raised via Banking Channels	Share capital including reserves and surplus	Non-Current Investments/Trade Receivables/Fixed Assets/Total Assets/current Investments	Short term and Long Loans & Advances	Cash & Cash Equivalents	Total Revenue	Profit as per P&L /Total income as per ITR
M/s Hallow Securities Private Limited	5,00,00,000	96,92,54,108	76,55,079 (FA)	1,52,25,773	50,83,093	6,25,25,741	1,73,97,990
M/s Dhankalash Distributors Pvt. Ltd	10,00,00,000	66,13,52,657	125,31,34,488 (NCI)	1,52,83,83,987	5,66,894	8,68,56,634	52,22,232(MAT)
Kamalpur Finance Ltd	1,00,00,000	10,35,81,209.92	3,56,22,794 (FA) 12,75,358.16(TR) 1,18,18,066.62 (CI)	7,74,43,623	10,886.10	1,77,44,877.61	19,95,330
MaharajiAgro Products Pvt. Ltd	3,50,00,000	2,75,95,267	2,79,53,871(FA) 1,65,54,404(TR) 53,67,964 (CI)	1,04,88,833	3,64,35,288	13,38,77,760	4,48,997 (MAT)
Neelam Securities Pvt. Ltd	1,00,00,000	6,18,89,259	2,52,74,795(NCI)	2,91,47,461	4,14,128	1,30,59,508	54,00,383
Paritosh Electricals Pvt Ltd.	25,00,000	15,67,59,401	15,95,34,704 (TA)	14,60,66,967	₹32,74,032	7,51,76,267	99,33,630
Ricon Merchants Pvt Ltd	50,00,000	20,04,18,189.14	1,76,12,433(TR)	16,45,30,062	42,57,067	33,73,411	9,17,910

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5.2. Judicial pronouncements upon full compliance with Section 68—identity, creditworthiness, and genuineness duly established through documentary evidence

i. 2026 (4) TMI 1188 - ITAT DELHI DCIT, ARTO Complex, Noida Versus ACE Infracity Developers Pvt. Ltd. And (Vice-Versa) (Refer page no. 649-655 of the case law PB).

ii. 2025 (7) TMI 1285 - ITAT DELHI ACIT, ARA Centre, DCIT, New Delhi Versus Filatax India Limited And (Vice-Versa) (Refer page no. 656-698 of the case law PB).

iii. 2025 (10) TMI 1091 - ITAT AGRA Income Tax Officer-1 Morena, (M.P.) Versus Shri Agrasen Logistics (Refer page no. 699-727 of the case law PB).

iv. 2026 (4) TMI 1470 - ITAT DELHI DCIT, Circle-9(1), Delhi Versus Paramount Propbuild Pvt. Ltd., Delhi (Refer page no. 728-738 of the case law PB).

v. 2026 (1) TMI 1567 - ITAT DELHI Vidur Chharia; Rakesh Chharia & Pole-Ads Advertising Pvt. Ltd. Versus DCIT/ACIT, Central Circle, Ghaziabad (Refer page no. 739-753 of the case law PB).

vi. 2026 (1) TMI 470 - ITAT DELHI Passion Realtech Pvt. Ltd. Versus Asstt. Commissioner of Income Tax, CC-II, Haryana (Refer page no. 754-761 of the case law PB).

vii. Principal Commissioner of Income-tax (Central) vs. Mukul Kakar [2026] 182 taxmann.com 372 (SC) [07-01-2026] and Rajnandani Projects (P.) Ltd. vs. Principal Commissioner of Income-tax [2026] 182 taxmann.com 147 (Patna) [18-12-2025] (Refer page no. 762-763 of the case law PB).

viii. Preity G Zinta vs. Income-tax Officer, International Taxation [2025] 181 taxmann.com 48 (Mumbai - Trib.) [17-11-2025] (Refer page no. 764-770 of the case law PB).

ix. Income-tax Officer vs. Arpitam Builders LLP [2025] 180 taxmann.com 397 (Delhi - Trib.) [07-11-2025] (Refer page no. 771-782 of the case law PB).

x. Principal Commissioner of Income-tax vs. Hamlet [2025] 178 taxmann.com 639 (Karnataka) / [2025] 307 Taxman 248 (Karnataka) [02-09-2025] (Refer page no. 783-786 of the case law PB).

xi. Income-tax Officer vs. Cornerstone Property Investments (P.) Ltd. [2024] 164 taxmann.com 464 (SC) / [2024] 300 Taxman 85 (SC) [15-07-2024] (Refer page no. 787-788 of the case law PB).

5.3. Absence of Incriminating Material During Search

That no incriminating material was seized during the course of search regarding any exchange of cash. This confirms that all transactions were genuine and properly accounted for. In this regard reliance is being placed upon following judicial pronouncements :-

i. Principal Commissioner of Income-tax Central vs. Priya Blue Industries (P.) Ltd. [2025] 181 taxmann.com 745 (Gujarat) [14-10-2025] (Refer page no. 789-794 of the case law PB).

ii. Commissioner of Income-tax vs. Dilbagh Rai Arora [2019] 104 taxmann.com 371 (Allahabad) / [2019] 263 Taxman 30 (Allahabad) [15-03-2019] (Refer page no. 795-799 of the case law PB).

iii. Principal Commissioner of Income-tax vs. Agson Global (P.) Ltd. [2022] 134 taxmann.com 256 (Delhi) / [2022] 286 Taxman 519 (Delhi) / [2022] 441 ITR 550 (Delhi) [19-01-2022] (Refer page no. 800-825 of the case law PB).

iv. Principal Commissioner of Income-tax (Central) vs. K.R. Pulp and Papers Ltd. [2025] 175 taxmann.com 278 (Delhi) [31-05-2025] (Refer page no. 826-838 of the case law PB).

v. [2024] 162 taxmann.com 792 (Allahabad) – PCIT v. Anshika Consultants (P.) Ltd., Allahabad HC, ITA No. 32/2024, 25-04-2024 (Refer page no. 839-842 of the case law PB).

vi. [2023] 148 taxmann.com 94 (Calcutta) – PCIT v. Overtop Marketing (P.) Ltd., Calcutta HC, ITAT/243/2022, 03-01-2023 (Refer page no. 843-844 of the case law PB).

vii. [2024] 159 taxmann.com 604 (Allahabad) – DCIT v. Paswara Papers Ltd., Allahabad HC (Refer page no. 845-847 of the case law PB).

viii. [2019] 111 taxmann.com 89 (Delhi - Trib.) – Prime Comfort Products (P.) Ltd. v. ACIT, ITAT Delhi (Refer page no. 1512-1522 of the case law PB).

ix. [2014] 45 taxmann.com 203 (Rajasthan) / [2014] 224 Taxman 87 / 366 ITR 217 / 267 CTR 396 (Rajasthan) – CIT, Ajmer v. Jai Kumar Bakliwal, Rajasthan HC, 06-02-2014 (Refer page no. 848-854 of the case law PB).

5.4. <u>No Addition Warranted Where Loans Repaid</u>

It is respectfully submitted that the CIT(A) and department has failed to consider that all lenders have fully repaid the loans over time, and in light of settled law, where repayments are made and no incriminating material is found during search, no addition can be warranted. Your honors will appreciate that repayment was made within the prescribed period as mentioned in the loan agreement and in major cases the repayment has been made before the search dated 21.02.2023.

TABLE E:- REPAYMENT:- Appeal by Appellant --- Addition sustained by CIT(A) for AY 2020-21,2021-22 & 2022-23

Lender Entities	A.Y.	Date of Repayment of loan	Page No. of ledger	Page No. of appellant bank	Judicial Pronouncements Supporting the Proposition that No Addition under Section 68 is Warranted Where Repayment of Loans Has Been Duly Made
Pravesh Credit and Securities Limited	2020-21	28.09.2020	549-551	61-62	i. Income Tax Officer v. Kayathwal Estate (P.) Ltd. – [2022] 139 taxmann.com 317 (SC) (Refer page no. 1506-1511 of the case law PB). ii. Principal Commissioner of Income-tax v. Bairagra Builders (P.) Ltd. – [2024] 164 taxmann.com 162 (Bombay HC) (Refer page no. 1780-1782 of the case law PB). iii. Principal Commissioner of Income-tax (Central) v. Dharmesh Padamshibhai Patel – [2023] 156 taxmann.com 491 (Gujarat HC) (Refer page no. 1783-1787 of the case law PB). iv. Principal Commissioner of Income-tax (Central), Surat v. Neotech Education Foundation – [2023] 148 taxmann.com 372 (Gujarat HC) (Refer page no. 1501-1505 of the case law PB). v. Principal Commissioner of Income-tax v. Merrygold Gems (P.)
	2021-22	31.03.2021		758	
	2022-23	25.10.2021		923	
Radha Fincom Limited	2020-21	28.09.2020	555-556	114	
	2021-22	31.03.2021		786	
	2022-23	25.10.2021		987	
Bangbhumi Traders Pvt. Ltd.	2020-21	31.03.2023	530-531	146	
Carrillion VP Estates Pvt. Ltd.	2020-21	03.10.2022	532-535	189-190	
First Agri-Tech Pvt. Ltd.	2020-21	21.12.2020	536-539	234-235	
	2022-23	20.08.2022		2534	
Hapline Commodities Pvt. Ltd.	2020-21	31.03.2023	540-543	285-286	
Manali Tradecom Pvt. Ltd.	2020-21	17.02.2023	544-546	327-328	

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Mayur India Private Limited	2020-21	16.01.2020	547-548	368	Ltd. – [2024] 164 taxmann.com 764 (Gujarat HC) (Refer page no. 1496-1500 of the case law PB). vi. Principal Commissioner of Income-tax v. Ambe Tradecorp (P.) Ltd. – [2022] 145 taxmann.com 27 (Gujarat HC) (Refer page no. 1794-1796 of the case law PB). vii. Principal Commissioner of Income-tax v. Ojas Tarmake (P.) Ltd. – [2023] 156 taxmann.com 75 (Gujarat HC) (Refer page no. 1788-1793 of the case law PB).
Premanarayan Mercantile Pvt. Ltd.	2020-21	25.08.2021	552-554	401-403	
	2022-23	31.03.2023		2528	
Supriya Fincom Pvt. Ltd.	2020-21	28.09.2020	557-559	460-461	
	2021-22	31.03.2021		814	
	2022-23	18.10.2022		990, 2533	
Target Vincom Pvt. Ltd.	2020-21	01.01.2020	560-561	501	

TABLE F:- REPAYMENT:- Appeal by department for AY 2020-21 and AY 2021-22--- Addition deleted by CIT(A)

Lender Entities	A.Y.	Date of Repayment of loan	Page No. of ledger	Page No. of appellant bank
Pioneer Iron & Steel Corporation Ltd	2020-21	01.10.2020	2543-2544	1149-1150
Shree Sudarshan castings Pvt Ltd	2020-21	14.10.2019	1996-1997	1207
Anjula Steels Pvt Ltd	2020-21	11.10.2019	1970-1971	1253
APM Finvest Ltd	2020-21	22.02.2021	1972-1973	1295-1296
Greencrest Financial Services Ltd	2020-21	16.12.2022	1974-1976	1385-1386
GSR Tradefin Pvt. Ltd.	2020-21	21.01.2021 / 25.02.2021	1977-1979	1449-1453
Kamalpur Finance Ltd.	2020-21	13.02.2023	1980-1985	1510-1511
	2021-22	31.03.2023		
Maharaj Ji Agro Products Pvt. Ltd.	2020-21	17.03.2020	1986-1989	1576-1577
	2021-22	20.03.2021/26.03.2021		41 of CIT(A) Order
Neelam Securities Marketing Pvt Ltd	2020-21	14.10.2019	1990-1993	1634-1635
	2021-22	01.02.2021/02.08.2021		46 of CIT(A) Order
Paritosh Electricals Pvt Ltd	2020-21	04.01.2023	2535-2539	1688
	2021-22	27.02.2023		50 of CIT(A) Order
Perfect Businesss Advisory services Pvt Ltd	2020-21	05.04.2023	2540-2542	1724-1725
Prachur Traders Pvt Ltd	2020-21	03.08.2019	2545-2546	1772
Ricon Merchants Pvt Ltd	2020-21	05.12.2019	1994-1995	1820
	2021-22	21.12.2020		54 of CIT(A) Order
Shyamnagar Packaging Works Pvt Ltd	2020-21	26.11.2019	1998-1999	1861
Unity Merchandise Pvt Ltd	2020-21	03.01.2022	2000-2001	1905
Zigma Electricals Pvt Ltd	2020-21	30.09.2019	2002-2003	1938
M/s Hallow Securities Private Limited	2021-22	21.11.2020	20 of CIT(A) Order	20 of CIT(A) Order
M/s Dhankalash Distributors Pvt. Ltd	2021-22	01.02.2023	24 of CIT(A) Order	24 of CIT(A) Order

5.5. Confirmation of Loans Received

The loans raised by the appellant have been duly confirmed by the lenders under section 133(6) of the Income-tax Act. These confirmations establish the genuineness, identity, and creditworthiness of the parties concerned.

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TABLE G :- Confirmation of Loans Received against Notices u/s 133(6)- Appeal by Appellant --- Addition sustained by CIT(A) for AY 2020-21,2021-22 & 2022-23			
Name of the Lender	**A.Y**	**Reply u/s 133(6)**	**Confirmation of Loan**
Pravesh Credit and Securities Limited	2020-21	No allegation	58
	2021-22		739
	2022-23		900 , 911
Radha Fincom Ltd.	2020-21	No allegation (106)	110
	2021-22	**No allegation**	766
	2022-23	**No reply u/s 133(6)**	941
Bangbhumi Traders Pvt. Ltd.	2020-21	Allegation but reply submitted 138-139	140
Carrillion VP Estates Pvt. Ltd.	2020-21	Allegation but reply submitted 174-177	178
First Agri-Tech Pvt. Ltd.	2020-21	Allegation but reply submitted 225-228	231
	2022-23	2529-2532 (No allegation)	1080
Hapline Commodities Pvt. Ltd.	2020-21	Allegation but reply submitted 279-280	281
Manali Tradecom Pvt. Ltd.	2020-21	Allegation but reply submitted 322-323	324
Mayur India Private Limited	2020-21	363 (No allegation)	365-366
Premanarayan Mercantile Pvt. Ltd.	2020-21	Allegation but reply submitted 391-394	396-397
	2022-23	2523-2527 (No allegation)	1048
Supriya Fincom Pvt. Ltd.	2020-21	No allegation (452)	457
	2021-22	No allegation	794
	2022-23		988
Target Vincom Pvt. Ltd.	2020-21	Allegation but reply submitted 496-497	498

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TABLE H :- Confirmation of Loans Received against Notices u/s 133(6)- Appeal by department--- Addition deleted by CIT(A)			
Name of the Lender	**A.Y**	**Reply u/s 133(6)**	**Confirmation of Loan**
Pioneer Iron & Steel Corporation Ltd	**2020-21**	**No reply to 133(6)**	1146
Shree Sudarshan castings Pvt Ltd	**2020-21**	**No reply to 133(6)**	1200
Anjula Steels Pvt Ltd	2020-21	No allegation 1247-1248	1251
APM Finvest Ltd	2020-21	No allegation 1285-1290	1293
Greencrest Financial Services Ltd	2020-21	No allegation 1377 ,1379-1381	1382
GSR Tradelink Pvt. Ltd.	2020-21	Allegation but reply submitted 1438-1439 , 1441-1442	1443
Kamalpur Finance Ltd.	2020-21	No allegation 1494-1497	1499
Maharaj Ji Agro Products Pvt. Ltd.	2020-21	Allegation but reply submitted 1550-1553	1554
Neelam Securities Marketing Pvt Ltd	2020-21	No allegation 1627-1629	1631
Paritosh Electricals Pvt Ltd	2020-21	No allegation 1681-1684	1686
Perfect Businesss Advisory services Pvt Ltd	2020-21	No allegation 1719-1721	1722
Prachur Traders Pvt Ltd	2020-21	Allegation but reply submitted 1761-1762,1764-1765	1766
Ricon Merchants Pvt Ltd	2020-21	Allegation but reply submitted 1814-1817	
Shyamnagar Packaging Works Pvt Ltd	**2020-21**	**No reply to 133(6)**	1859
Unity Merchandise Pvt Ltd	2020-21	No allegation 1897-1899	1900
Zigma Electricals Pvt Ltd	2020-21	No allegation 1931-1934	1936

5.6. Rebuttal to CIT(A) observations:-

a) Your Honors will appreciate that the CIT(A) has made certain additions relying on the AO's assertions, and a pointwise rebuttal is tabulated below for ease of reference. It is respectfully submitted that the matters relied upon by the CIT(A) are irrelevant, the facts considered are incorrect, and, in any event, statements recorded during surveys of other persons cannot form the basis for such additions.

Pravesh Credit and Securities Limited—Addition sustained by CIT(A)for AY 2020-21,2021-22 & 2022-23		
S No.	**Allegations of AO/CIT(A) for AY 2020-21**	**Rebuttal to Allegations :-** That the submissions filed for **A.Y. 2020-21** may kindly be read and considered **mutatis mutandis** for **A.Ys. 2021-22 and 2022-23**, as the facts, issues involved, and grounds raised are identical/similar in nature.

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1.	AO--- Absence of Fixed Assets(Page No. 52 of the AO Order) for AY 2020-21 CIT(A)---- No adverse comments have been pointed out (Pg 257-258 of CIT(A) order)**for AY 2020-21**	The AO's allegation is incorrect; as an RBI-registered NBFC with no manufacturing activity, ownership of fixed assets is neither required nor relevant for evaluating it's creditworthiness. **Refer Page no. 55-57 of PB.**
2.	The company's operational address does not match its registered address. **(Page No. 52 of the AO Order)** CIT(A)---- No adverse comments have been pointed out (Pg 257-258 of CIT(A) order)	The AO's allegation of address mismatch is factually incorrect and self-contradictory, as the notice u/s 133(6) was duly issued to and complied with by the lender. **The AO's own observation that commercial expediency was not explained confirms the lender responded and furnished information; thus, no adverse inference on its identity, genuineness, or creditworthiness can be drawn in absence of contrary material.**
3.	**Admission by Director** – Director Sanjay Kumar Singhi admitted in post-survey proceedings to engaging in accommodation entry business through the company. **(Page No. 52 of the AO Order)** CIT(A)---- That CIT(A) at Page No. 257-258 for AY 2020-21 has relied upon the statement of Sanjay Kumar Singhi to confirm the addition. **Identical Observations of CIT(A) for AYs 2021-22 and 2022-23**	**1. Copy of statement not provided and only extracts reproduced in notice/order.** It is respectfully submitted that no copy of the statement relied upon by the Department has been furnished to the appellant. **2. No opportunity for cross examination** Furthermore, no opportunity for cross examination could be availed as full statement was never provided. **3.Shri Sanjay Kumar Singhi Not a Director – Statement Cannot Be Relied Upon** **Without prejudice to above,** It is further submitted that the statement as relied upon by department is wholly irrelevant, as Shri Sanjay Kumar Singhi was not a director of the lender company during the relevant assessment years. This is substantiated by the enclosed MCA Director Master database, which clearly shows that he held no directorship. It is also submitted that Shri Sandeep Kumar Singhi ceased to hold office w.e.f. 16.11.2016 **(Ref. Pg. no. 102-104 of PB).** **4. Survey Statement and Incriminating Material – No Evidentiary Value** It is respectfully submitted that the AO relied upon the statement recorded during survey u/s 133A dated 28.06.2022 to impugn the genuineness of the loan. The Ld. AO erred in failing to appreciate that such statements carry no evidentiary value and that no incriminating material was found either during the search of the appellant or in the survey of Shri Sandeep Kumar Singhi's office. **5. Loans Fully Repaid Prior to Survey – No Addition Warranted** It is respectfully submitted that the AO failed to appreciate that the loans for the respective years were fully repaid on 28.09.2020, 31.03.2021, and 25.10.2021, i.e., well before the survey conducted on 28.06.2022. **6.Erroneous Addition Without Assessing Creditworthiness**

<table>
<tr><td></td><td></td><td>That the CIT(A) erred in making the addition without commenting anything adversely on the creditworthiness. Moreover, the assertion of the CIT(A) for share capital and share premium cannot be taken as base for questioning the creditworthiness.
<u>7.Acceptance of Lender in Earlier Years – No Comment in Appeal</u>
It is respectfully submitted that the appeal does not address that the same lender has been treated as genuine by the Assessing Officer in earlier years. The summary of the same is as under:-
<table><tr><th>S No.</th><th>Name of Lender</th><th>FY</th><th>Amount of loan</th><th>Page No. of PB</th></tr><tr><td>1.</td><td>Pravesh CreditsAnd Securities Ltd.</td><td>17-18</td><td>3,00,00,000</td><td>610-612(Confirmation) 601-609(AO Order)</td></tr></table></td></tr>
<tr><td>8.</td><td>AO--Lack of Commercial Expediency – The company did not explain the commercial rationale for advancing the loan in response to the notice under section 133(6). (Page No. 53 of the AO Order)

CIT(A)---- No adverse comments have been pointed out (Pg 257-258of CIT(A) order)</td><td>It is respectfully submitted that the AO's observation regarding the commercial expediency of the loan is misconceived. The commercial expediency is fully evident as the lender is a duly registered NBFC, and advancing funds to earn interest is a legitimate business activity for such an entity. That commercial expediency is also proved from ICD agreement submitted by the appellant. (Ref Page no. 79-101 of PB)</td></tr>
<tr><td>9.</td><td>AO---Defective Agreement– The loan agreement was neither notarized nor witnessed, rendering it non-credible. (Page No. 53 of the AO Order)

CIT(A)--- No adverse comments have been pointed out (Pg 257-258 of CIT(A) order)</td><td>The loan agreement, duly executed on non-judicial stamp paper and signed by both parties, cannot be invalidated merely for absence of witness signature, especially when the transaction is fully substantiated by surrounding circumstances .</td></tr>
<tr><td>10.</td><td>AO----Unverifiable Creditworthiness – The lender's creditworthiness and the genuineness of the transaction cannot be verified. (Page No. 53 of the AO Order)

CIT(A)--- <u>Majority of Funds Reflected as Share Capital Including Share Premium Identical Observations of CIT(A) for AYs 2021-22 and 2022-23.(Pg 257-258 of CIT(A) order)</u></td><td><u>Erroneous Addition Without Assessing Creditworthiness</u>

That the CIT(A) erred in making the addition without commenting anything adversely on the creditworthiness. Moreover, the assertion of the CIT(A) for share capital and share premium cannot be taken as base for questioning the creditworthiness. Moreover, creditworthiness is explained in above paras.</td></tr>
</table>

Radha Fincom Ltd. Addition sustained by CIT(A)		
S.No	**Allegations of AO/CIT(A) for AY 2020-21**	**Rebuttal to Allegations :-** That the submissions filed for **A.Y. 2020-21** may kindly be read and considered **mutatis mutandis** for **A.Ys. 2021-22 and 2022-23**, as the facts, issues involved, and grounds raised are identical/similar in nature.
1.	Admission by Director – **Director Sanjay Kumar Singhi (Page No. 53 of the AO Order)** CIT(A)---- That CIT(A) at Page No. 258 for AY 2020-21 has relied upon the statement of Sanjay Kumar Singhi to confirm the addition. **Identical Observations of CIT(A) for AYs 2021-22 and 2022-23**	**1. Copy of statement not provided and only extracts reproduced in notice/order.** It is respectfully submitted that no copy of the statement relied upon by the Department has been furnished to the appellant. **2. No opportunity for cross examination** Furthermore, no opportunity for cross examination could be availed as full statement was never provided. **3.Shri Sanjay Kumar Singhi Not a Director – Statement Cannot Be Relied Upon** **Without prejudice to above,** It is further submitted that the statement as relied upon by department is wholly irrelevant, as Shri Sanjay Kumar Singhi was not a director of the lender company during the relevant assessment years. This is substantiated by the enclosed MCA Director Master database, which clearly shows that he held no directorship. It is also submitted that Shri Sandeep Kumar Singhi ceased to hold office w.e.f. 16.11.2016 **(Ref. Pg. no. 102-104 of PB).** **4. Survey Statement and Incriminating Material – No Evidentiary Value** It is respectfully submitted that the AO relied upon the statement recorded during survey u/s 133A dated 28.06.2022 to impugn the genuineness of the loan. The Ld. AO erred in failing to appreciate that such statements carry no evidentiary value and that no incriminating material was found either during the search of the appellant or in the survey of Shri Sandeep Kumar Singhi's office. **5. Loans Fully Repaid Prior to Survey – No Addition Warranted** It is respectfully submitted that the AO failed to appreciate that the loans for the respective years were fully repaid on 28.09.2020, 31.03.2021, and 25.10.2021, i.e., well before the survey conducted on 28.06.2022. 6. **Erroneous Addition Without Assessing Creditworthiness** That the CIT(A) erred in making the addition without commenting anything adversely on the creditworthiness. Moreover, the assertion of the CIT(A) for share capital and share premium cannot be taken as base for questioning the creditworthiness. **7.Acceptance of Lender in Earlier Years – No Comment in Appeal** It is respectfully submitted that the appeal does not address that the same lender has been treated as genuine by the

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		Assessing Officer in earlier years. The summary of the same is as under:- Name of Lender | FY | Amount of loan | Page No. of PB Radha Fincom Ltd. | 2017-18 | 1,50,00,000 | 613-615(Confirmation) 601-609(AO Order)
2.	Funds were transferred from the company M/s Pravesh Credit and securities Ltd. and the same were transferred to the assessee. **(Page No. 54 of the AO Order)** CIT(A)--- No adverse comments have been pointed out (Pg 258 of CIT(A) order)	i. The "source of source" theory is wholly inapplicable; in absence of any incriminating material, the allegation of accommodation entries is purely speculative and legally unsustainable. ii. Without prejudice, the **lender, M/s Parvesh Credit & Securities Ltd., advanced the loan from ordinary business funds (trade receivables), fully corroborated by bank statements, conclusively establishing the genuineness and creditworthiness of the transaction. Refer Page No. 112-113 of PB.** **Ultimate source** | **Date of Receipt** | **Amount (₹)** | **Date of advance** | **Amount** PRAVESH CREDIT AND SECURITIES LIMITED **(DEBTOR OF LENDER COMPANY)** | 15.10.2019 | 50,00,000 | 15.10.2019 | 50,00,000
3.	**AO— Absence of Fixed Assets(Page No. 54 of the AO Order)** CIT(A)--- No adverse comments have been pointed out (Pg 258 of CIT(A) order)	The AO's allegation is incorrect; as an RBI-registered NBFC with no manufacturing activity, ownership of fixed assets is neither required nor relevant for evaluating it's creditworthiness.
4.	**AO—Lack of Commercial Expediency –** The company did not explain the commercial rationale for advancing the loan in response to the notice under section 133(6). **(Page No. 54 of the AO Order)** **CIT(A)**--- No adverse comments have been pointed out (Pg 258 of CIT(A) order)	It is respectfully submitted that the AO's observation regarding the commercial expediency of the loan is misconceived. The commercial expediency is fully evident as the lender is a duly registered NBFC, and advancing funds to earn interest is a legitimate business activity for such an entity. That commercial expediency is also proved from ICD agreement submitted by the appellant. **Ref Pg no.129-135 of PB)**

5.	**AO---Unverifiable Creditworthiness** – The lender's creditworthiness and the genuineness of the transaction cannot be verified. **(Page No. 54 of the AO Order)** CIT(A)--- **Majority of Funds Reflected as Share Capital Including Share Premium Identical Observations of CIT(A) for AYs 2021-22 and 2022-23(Pg 258 of CIT(A) order)**	**Erroneous Addition Without Assessing Creditworthiness** That the CIT(A) erred in making the addition without commenting anything adversely on the creditworthiness. Moreover, the assertion of the CIT(A) for share capital and share premium cannot be taken as base for questioning the creditworthiness. Moreover, creditworthiness is explained in above paras.
6.	AO---Agreement **not notarized nor witnessed, rendering it non-credible. (AY 2022-23)** (Page No. 64 of the AO Order) **CIT(A)**— No adverse comments have been pointed out **(AY 2022-23)(Pg 131 of CIT(A) order)**	The loan agreement, duly executed on non-judicial stamp paper and signed by both parties, cannot be invalidated merely for absence of witness signature, especially when the transaction is fully substantiated by surrounding circumstances .**(Ref. Pg. no. 977-986 of PB).**

Supriya Fincom Pvt. Ltd.Addition sustained by CIT(A)		
	Allegations of AO/CIT(A) for AY 2020-21	**Rebuttal to Allegations :-** That the submissions filed for **A.Y. 2020-21** may kindly be read and considered **mutatis mutandis** for **A.Ys. 2021-22 and 2022-23**, as the facts, issues involved, and grounds raised are identical/similar in nature.
1.	**AO— Registered Address** – The registered address of the company is identical to that of Pravesh Credit and Securities Ltd. (Ref Pg no. 91 of AO Order). CIT(A)---- No adverse comments have been pointed out (Pg 269-270 of CIT(A) order)	**Observation Regarding Company Addresses – Factually Incorrect** It is respectfully submitted that the observation that the addresses of the two companies are the same is incorrect. As per the MCA portal, the registered addresses are distinct: Supriya Fincom Private Limited – 133, Canning Street, 3rd Floor, Kolkata – 700001 **(PB, pg no. 495)**; Pravesh Credit and Securities Limited – 33/A, N.S. Road, Marshall House, 6th Floor, Room No. 647, Kolkata G.P.O., Kolkata – 700001 **(Refer Page No. 102 of PB).**
2.	**AO---- Bank Statement Indicative of Entry Operator** – Bank statements show funds received from unverifiable sources just before transfer to the assessee, with low opening and closing balances(Refer Pg No. 91-92 of AO Order)	**Source of Source explained** The AO's allegation is misconceived, as the bank statements clearly establish the ultimate source of funds, which the appellant has duly substantiated as under.**Refer Page No. 458-459 of PB.**

	CIT(A)---- No adverse comments have been pointed out (Pg 269-270 of CIT(A) order)	Ultimate Source | Amount (Rs.) | Remarks Beaulah Enterprises Pvt. Ltd. | 2,00,00,000 | Lender received Rs. 50 lakhs in four tranches on 02.04.2019 Uflex Ltd. | 1,50,00,000 | Lender received from repayment by Uflex Ltd. of Rs. 2 crores dated 14.10.2019
3.	**AO----- Negligible Fixed Assets**(Refer Pg No.92 of AO Order) **CIT(A)--- <u>Addition Made on Ground of Lack of Fixed Assets and Alleged Entry Operations</u> Identical Observations of CIT(A) for AYs 2021-22 and 2022-23**(Pg 269-270 of CIT(A) order)	Absence or minimal fixed assets is immaterial to the creditworthiness of an NBFC, which advances loans from its liquid financial assets and not fixed assets.**Refer Page No. 455 of PB.**
4.	**AO---Disproportionate Income** - Total declared income is disproportionate to the funds transferred to the assessee.(Pg 92 of AO order) CIT(A)---- No adverse comments have been pointed out (Pg 269-270 of CIT(A) order)	The lender's declared income is not determinative of creditworthiness, which must be assessed on the basis of overall financial strength, net worth. Even otherwise company has filed the ITR at ₹ 18,81,330(MAT) (for AY 2020-21).**Refer Page No. of 462 of PB.**
5.	**AO---Defective Agreement** - The loan agreement was neither notarized nor witnessed, rendering it non-credible.(Pg 92 of AO order) CIT(A)---- No adverse comments have been pointed out (Pg 269-270 of CIT(A) order)	The loan agreement, duly executed on non-judicial stamp paper and signed by both parties, cannot be invalidated merely for absence of witness signature, especially when the transaction is fully substantiated by surrounding circumstances.**Refer Page No. 479-481 of PB.**
6.	**AO ---Admission by Director** – Director Sanjay Kumar Singhi admitted post-survey to engaging in accommodation entry business through his companies.(Pg 92 of AO order) CIT(A)---- That CIT(A) at Page No. 269-270 for AY 2020-21 has relied upon the statement of Sanjay Kumar Singhi to confirm the addition. **Identical Observations of CIT(A) for AYs 2021-22 and 2022-23.**(Pg 269-270 of CIT(A) order)	1. **No Reference to Supriya Fincom Private Limited in Survey Statement** It is respectfully submitted that a perusal of the entities listed in the sworn statemen of Sanjay Kumar Singhi It is noticed there is no reference of lender "Supriya Fincom Private Limited." 2. **Survey Statement and Incriminating Material – No Evidentiary Value** It is respectfully submitted that the AO relied upon the statement recorded during survey u/s 133A dated 28.06.2022 to impugn the genuineness of the loan. The CIT(A)

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		erred in failing to appreciate that such statements carry no evidentiary value and that no incriminating material was found either during the search of the appellant or in the survey of Shri Sandeep Kumar Singhi's office. 3. **Loans Fully Repaid Prior to Survey – No Addition Warranted** It is respectfully submitted that the CIT(A) failed to appreciate that the loans for the respective years were fully repaid on 28.09.2020, 31.03.2021, and 18.10.2022, i.e., well before the survey conducted on 28.06.2022.
7.	**AO---Lack of Commercial Expediency** – The company did not explain the commercial rationale for advancing the loan in response to the notice under section 133(6).(Pg 93 of AO order) CIT(A)---- No adverse comments have been pointed out (Pg 269-270 of CIT(A) order)	It is respectfully submitted that the AO's observation regarding the commercial expediency of the loan is misconceived. The commercial expediency is fully evident as the lender is a duly registered NBFC, and advancing funds to earn interest is a legitimate business activity for such an entity. That commercial expediency is also proved from ICD agreement submitted by the appellant. **(Ref Pag no.479-494 of PB)**
8.	**AO----Unverifiable Creditworthiness** – The lender's creditworthiness and the genuineness of the transaction cannot be verified.(Pg 93 of AO order) CIT(A)--- **Majority of Funds Reflected as Share Capital Including Share Premium Identical Observations of CIT(A) for AYs 2021-22 and 2022-23.**(Pg 269-270 of CIT(A) order)	**Erroneous Addition Without Assessing Creditworthiness** That the CIT(A) erred in making the addition without commenting anything adversely on the creditworthiness. Moreover, the assertion of the CIT(A) for share capital and share premium cannot be taken as base for questioning the creditworthiness. Moreover, creditworthiness is explained in above paras.

Rebuttal to CIT (A) allegation confirming the additions on the common allegation that the financials of the lender do not inspire confidence regarding the credibility of the said entity. That no other defects were pointed out.

S.No.	Name of lender	Pg no. of CIT(A) order			Appellant's remarks	Judicial pronouncements :- Creditworthiness Cannot Be Disputed Merely on the Basis of Minuscule Income
		AY 20-21	AY 21-22	AY 22-23		
1.	Bangbhumi Traders Pvt. Ltd.	260-261	NA	NA	**a) Erroneous Doubt on Creditworthiness** – The Ld. CIT(A) erred in doubting the lender's creditworthiness based solely on vague assertions that the financials "do not inspire confidence," despite complete documentary evidence including PAN, ITRs, audited accounts, confirmations, and bank statements, discharging the onus under section 68 **(Ref. Table A &C).** **b) Loans Fully Repaid** – The CIT(A) failed to note that the loans were fully repaid **(Ref. Table E).** **c) No Material During Search** – No material was unearthed during the search of the appellant that could suggest the unsecured loan was an accommodation or bogus. **d) Confirmation Under Section 133(6)** – All lenders duly responded to the AO's notice under section 133(6), which the CIT(A) failed to appreciate.**(Ref. Table G).** **e) Acceptance in Previous Years** – The lenders referred to at **S.No. 2,4,5,6**were accepted as genuine in earlier assessment years. The summary of the same is as under:-	i. B & B Sharecom (P.) Ltd. vs. DCIT [2025] 178 taxmann.com 678 (Refer page no. 1-9 of the case law PB). ii. CIT, Meerut vs. Miq Steels (P.) Ltd. [2013] 36 taxmann.com 422 (Refer page no. 10-11 of the case law PB). iii. CIT-IV vs. Dwarkadhish Investment (P.) Ltd. [2010] 194 Taxman 43 (Refer page no. 12-18 of the case law PB). iv. M/s. Hindon Forge (P.) Ltd. vs. DCIT, Ghaziabad [2020] 87 ITR (Trib) 258 (Refer page no. 19-25 of the case law PB). v. M/s. Thirubala Chemicals Pvt. Ltd. vs. ITO, New Delhi [2020] 10 TMI 405 (Refer page no. 26-34 of the case law PB). vi. ACIT vs. Supreme Placement Services (P.) Ltd., New Delhi [2021] 3 TMI 720 – ITAT Delhi (Refer page no. 35-48 of the case law PB). vii. Garima Polymers (P.) Ltd. vs. ACIT [2021] 86 ITR(T) 261 (Refer page no. 49-53 of the case law PB). viii. Vishnu Jaiswal vs. CIT(Appeals),
2.	Carrillion VP Estates Pvt. Ltd.	261	NA	NA		
3.	First Agri-Tech Pvt. Ltd.	261-262	NA	136-137		
4.	Hapline Commodities Pvt. Ltd.	263	NA	NA		
5.	Manali Tradecom Pvt. Ltd.	265	NA	NA		
6.	Mayur India Private Limited	265	NA	NA		
7.	Premanarayan Mercantile Pvt. Ltd.	268	NA	136		
8.	Target Vincom Pvt. Ltd.	270	NA	NA		

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Name of Lender	FY	Amount of loan	Page No. of PB
Carrillion VP Estates Pvt. Ltd.	5-16	90,00,000	616(Ledger) 562-567(AO Order)
	16-17	1,00,00,000	617(Ledger)568-600(AO Order)
Mayur India Pvt. Ltd.	16-17	1,00,00,000	618(Ledger) 568-600(AO Order)
Hapline Commodities Pvt Ltd	18-19	75,00,000	281(Ledger) No Adverse Findings under Section 148A in AY 2019-20
Manali Tradecom Pvt Ltd	18-19	75,00,000	324(Ledger) No Adverse Findings under Section 148A in AY 2019-20

f) Low Income Not Determinative – It is settled law that nominal income or operational revenue alone cannot impugn creditworthiness when sufficient evidence of capital, funds, and banking transactions exists; creditworthiness must be assessed holistically.

Lucknow [2012] 23 taxmann.com 374 (Refer page no. 54-72 of the case law PB).

ix. ITO vs. Mega Collections (P.) Ltd. [2023] 151 taxmann.com 403 (Refer page no. 73-85 of the case law PB).

x. Rohit Kumar Jindal (HUF) vs. ITO, Chandigarh [2020] 208 TTJ (Chd) 764 (Refer page no. 471-491 of the case law PB).

xi. Naveen Infradevelopers & Engineers (P.) Ltd. vs. DCIT, Delhi [2021] 213 TTJ (Del) 344 (Refer page no. 492-506 of the case law PB).

xii. Psychotropics Leasing & Finance (P.) Ltd. vs. ITO, Delhi [2018] 196 TTJ (Del) 877 (Refer page no. 507-525 of the case law PB).

xiii. Anjani Associates vs. ITO, Raipur [2019] 197 TTJ (Raipur) 44 (Refer page no. 526-536 of the case law PB).

5.7. Judicial pronouncements

Consistency:- The assessments for the respective years i.e. from FY 2015-16 to FY 2017-18 were completed after due scrutiny, wherein the issue of unsecured loans was examined by the Department, and the same stood accepted without any qualification or reservation.	**Statement recorded during survey carries no evidentiary value**
i. Deputy Commissioner of Income-tax vs. Ace Infracity Developers (P.) Ltd. [2025] 181 taxmann.com 63 (Delhi - Trib.)[28-11-2025] ii. RadhasoamiSatsang v. CIT [1992] 193 ITR 321 (SC) iii. Principal Commissioner of Income-tax (Central) vs. MBL Infrastructure Ltd. [2023] 155 taxmann.com 657 (SC)/[2023] 295 Taxman 586 (SC)/[2024] 461 ITR 150 (SC)[27-09-2023] iv. Commissioner of Income-tax, Exemptions vs. Swami OmkaranandaSaraswati Charitable Trust [2023] 150 taxmann.com 428 (Allahabad)/[2023] 453 ITR 245 (Allahabad)[15-03-2023] v. Friends Clearing Agency (P.) Ltd. vs. Commissioner of Income-tax-II [2011] 9 taxmann.com 238 (Delhi)/[2011] 199 Taxman 265 (Delhi) (Mag.)/[2011] 332 ITR 269 (Delhi)/[2011] 237 CTR 464 (Delhi)[04-301-2011] vi. Commissioner of Income-tax vs. Dewan Steels Ltd. [2007] 165 Taxman 526 (Delhi)/[2009] 311 ITR 161 (Delhi)[13-07-2007] vii. Assistant Commissioner of Income-tax vs. Bombay Footwear (P.) Ltd. [2025] 170 taxmann.com 298 (Mumbai - Trib.)[12-12-2024] viii. Birlasoft Ltd. vs. Assistant Commissioner of Income-tax [2025] 173 taxmann.com 634 (Delhi - Trib.)[16-04-2025]	i. CIT vs. S. Khader Khan Son [2013] 6 TMI 305 (SC) / [2013] 352 ITR 480 (Refer page no. 86-87 of the case law PB). ii. M/s. Kalpana Biri Mfg. Co. Pvt. Ltd. vs. ACIT, Circle, Berhampur [2017] 12 TMI 988 (Kolkata - ITAT) (Refer page no. 88-104 of the case law PB). iii. MNP Turnmatics C/o Devinder Proothi vs. ITO, Ward-2, Rohtak [2020] 1 TMI 1021 (Delhi - ITAT) (Refer page no. 105-109 of the case law PB). iv. ACIT vs. M/s. Legend Developers & Constructions, Kurnool [2021] 7 TMI 11 (Hyderabad - ITAT) (Refer page no. 110-125 of the case law PB). v. Shri Shriram Toshniwal vs. ACIT, Khandwa [2019] 6 TMI 652 (Indore - ITAT) (Refer page no. 126-142 of the case law PB). vi. Jigarkumar Navinchandra Soni vs. ACIT, Circle-5(2), Ahmedabad [2018] 10 TMI 1024 (Ahmedabad - ITAT) (Refer page no. 143-159 of the case law PB). vii. Shri K. Somasekhar vs. DCIT, Central Circle-1(1), Bangalore [2019] 10 TMI 903 (Bangalore - ITAT) (Refer page no. 160-168 of the case law PB). viii. DCIT, Circle-2(3), Surat vs. M/s. Shhlok Enterprise [2021] 1 TMI 676 (Surat - ITAT) (Refer page no. 169-180 of the case law PB).