GOVERNMENT OF INDIA MINISTRY OF FINANCE

INCOME TAX DEPARTMENT

NATIONAL FACELESS ASSESSMENT CENTRE, DELHI

Assessment Unit

1.	PAN	PAN-DEMO-0001
2.	Name of the assessee	Suryanetra Components Private Limited - Synthetic Demonstration Entity
3.	Address of the assessee	Unit 14, Demo Industrial Estate, Sector 7, Demo Nagar 000001
4.	Assessment year	2024-25
5.	Status	COMPANY
6.	Residential status	Resident
7.	Date of service of notice under section 143(2) of the Income-tax Act	02/06/2026 (served electronically)
8.	Date(s) of issue of notice(s) under section 142(1) of the Income-tax Act	24/06/2026, 21/07/2026
9.	Order passed under section	147 read with section 144B of the Income-tax Act, 1961
10.	Date of order	28/08/2026
11.	DIN	ITBA/DEMO/S/147/2026-27/DIN-DEMO-0005(1)
12.	Proceeding reference	DEMO/REASSMT/2026/001

ASSESSMENT ORDER

1. FACTS OF THE CASE IN BRIEF

The assessee, Suryanetra Components Private Limited - Synthetic Demonstration Entity [PAN-DEMO-0001], is a company engaged in the manufacture of precision engineering components. The assessee filed its return of income for the assessment year 2024-25 on 28/10/2024 declaring a total income of Rs. 18,40,000/-. The return was processed under section 143(1) of the Act on 12/03/2025 and the returned income was accepted without adjustment.

Information was thereafter received in this case under the risk management strategy formulated by the Board, indicating that a credit of Rs. 32,00,000/- recorded in the books of account of the assessee under the head ‘unsecured loans’ during the financial year 2023-24, stated to have been received from Tamrasetu Tradecraft Private Limited - Synthetic Demonstration Entity [PAN-DEMO-0002], was not established as to its nature and source. Proceedings under section 148A of the Act were initiated, an order under section 148A(3) was passed on 20/02/2026 and a notice under section 148 of the Act was issued on 20/02/2026. In response, the assessee furnished a return of income on 15/05/2026 declaring the same total income as originally returned.

(a)	Reason for selection of the case	Reassessment - unexplained credit under section 68 of the Act
(b)	Type of the case	Reopened case under section 147 of the Act

2. DETAILS OF OPPORTUNITIES GIVEN

Type of notice / communication	Date of notice / communication	Date of compliance	Response received	Date of response if received	Response type (full / part / adjournment)
Notice u/s 148	20/02/2026	20/05/2026	Received	15/05/2026	Full
Notice u/s 143(2)	02/06/2026	16/06/2026	Received	16/06/2026	Full
Notice u/s 142(1)	24/06/2026	08/07/2026	Received	08/07/2026	Part
Notice u/s 142(1)	21/07/2026	04/08/2026	Received	04/08/2026	Part
Show cause notice	05/08/2026	12/08/2026	Received	12/08/2026	Full

3. CASE WHERE VARIATION IS NOT PROPOSED

Not applicable, as a variation to the returned income is proposed in this case.

4. CASE WHERE VARIATION IS PROPOSED

4.1 Complete description of the issue involved

The sole issue for consideration is whether the credit of Rs. 32,00,000/- appearing in the books of account of the assessee for the previous year ended 31st March, 2024, stated to have been received from the lender as an unsecured loan, is liable to be treated as an unexplained cash credit under section 68 of the Act.

4.2 Summary of the material placed on record by the assessee

In the course of the proceedings the assessee placed on record a compilation of evidence dated 10 January 2026 comprising (i) a confirmation of account issued by the lender in respect of Rs. 32,00,000/- together with an extract of the lender’s ledger account of the assessee; (ii) an extract of the assessee’s bank statement for the period 01/04/2023 to 30/09/2023; and (iii) an extract of the loan agreement dated 05/06/2023. The assessee stated that the audited financial statements of the lender for the financial year 2023-24 and the acknowledgement of the lender’s return of income for the assessment year 2024-25 had been called for but were not available, and that the bank statement for the remainder of the previous year had been applied for and was not available.

4.3 Show cause notice and the reply of the assessee

A show cause notice was issued on 05/08/2026 calling upon the assessee to show cause why the said credit should not be treated as an unexplained cash credit under section 68 of the Act and brought to tax under section 115BBE. The assessee replied on 12/08/2026 reiterating that the credit is an unsecured loan received through banking channels, that the identity of the lender stands established by the confirmation of account and the lender’s permanent account number, and that the loan continues to be reflected as a liability in the audited balance sheet of the assessee. The assessee further submitted that the material not yet furnished lies within the power of the lender and not of the assessee, and requested that the explanation be accepted.

4.4 Point-wise consideration of the reply

The reply of the assessee has been considered. So far as the identity of the lender is concerned, the lender is a company holding a permanent account number, and a confirmation of account has been placed on record. The identity of the lender is accordingly not in doubt.

So far as the genuineness of the transaction is concerned, the bank statement extract placed on record evidences the receipt of Rs. 20,00,000/- through banking channels during the period covered by that extract. The receipt of the balance of Rs. 12,00,000/- is not evidenced by any bank statement placed on record, the statement for the period 01/10/2023 to 31/03/2024 not having been furnished.

So far as the creditworthiness of the lender is concerned, no material whatsoever has been placed on record. The audited financial statements of the lender and the acknowledgement of its return of income, which alone could demonstrate the capacity of the lender to advance a sum of Rs. 32,00,000/-, have not been furnished. The submission that the said material lies within the power of the lender does not discharge the burden which section 68 of the Act casts upon the assessee.

4.5 Conclusion drawn

In view of the foregoing, the assessee has not offered an explanation about the nature and source of the credit which is satisfactory within the meaning of section 68 of the Act, the creditworthiness of the lender not having been established at all and the genuineness of the transaction having been established only in part. The credit of Rs. 32,00,000/- is accordingly treated as an unexplained cash credit under section 68 of the Act and is added to the total income of the assessee. The said income is chargeable to tax at the rate specified in section 115BBE of the Act.

5. FINAL COMPUTATION OF TAXABLE INCOME

In the light of the above facts and on the basis of the material available on record, the reassessment is completed under section 147 read with section 144B of the Income-tax Act, 1961 as under.

Sl. No.	Description	Amount
1	Income as per the return of income furnished for the assessment year 2024-25	INR 18,40,000

Sl. No.	Description	Amount
2	Add: Unexplained cash credit under section 68 of the Act, chargeable to tax under section 115BBE	INR 32,00,000
3	Total income assessed	INR 50,40,000

Assessed under section 147 read with section 144B of the Act. The computation of income and the notice of demand under section 156 of the Act are attached and issued separately. Interest under sections 234A, 234B and 234C of the Act shall be charged as applicable. Penalty proceedings under section 271AAC(1) of the Act are initiated separately in respect of the income referred to in section 68 of the Act.

Nothing in this order shall be construed as a finding on any question which does not arise for determination herein. The assessee is at liberty to prefer an appeal against this order in the manner provided in Part A of Chapter XX of the Act.

Assessment Unit
Income Tax Department

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