

**INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH "G": NEW DELHI  
(Through Video Conferencing)**

**BEFORE**

**SHRI R.K. PANDA, ACCOUNTANT MEMBER  
AND  
MS. SUCHITRA KAMBLE, JUDICIAL MEMBER**

ITA No. 4504/Del/2018  
Asstt. Year 2011-12

|  |     |  |
|--|-----|--|
| DCIT<br>Circle -1,<br>Meerut,<br>Uttar Pradesh.<br>PAN AAEC7222B | Vs. | SBEC Sugar Ltd.,<br>Baghpat<br>Uttar Pradesh |
| (Appellant)  |     | (Respondent)                                 |

|                       |                           |
|-----------------------|---------------------------|
| Department by:        | Shri Bhopal Singh, Sr. DR |
| Assessee by :         | Shri P.S. Kashyap, CA     |
| Date of Hearing       | 03/11/2021                |
| Date of pronouncement | 10/11/2021                |

**ORDER**

**PER SUCHITRA KAMBLE, JM**

This appeal is filed by the revenue against the order dated 13.3.2018 passed by the CIT (A), Meerut for Assessment Year 2011-12.

2. The grounds of appeal are as under :-

*“1. Whether in the facts and circumstances of the case, the Ld. Commissioner of Income Tax (Appeals) has erred in law and fact in not deciding the issue of admission of Rs. 1,96,73,330/- made by the A.O. on account of unverifiable sundry creditors u/s 68 of the I.T. Act, 1961, ignoring the fact that the assessee failed to produce fresh confirmation with copy of bill, ITR and bank transaction details of depositor to prove the creditworthiness and genuineness of transaction.*

*2. Whether in the facts and circumstances of the case, the Ld. Commissioner of Income Tax (Appeals) has erred in law and fact in deleting the addition of Rs. 2,48,99,269/- made by the A.O. on account of in genuine unsecured loans u/s 68 of the I.T. Act, 1961 and disallowance of interest paid on these loans @ 12% as expenses unrelated to business as the assessee failed to produce fresh confirmation with copy of ITR and bank transaction details and other supportive documents of depositor to prove the genuineness and authenticity of the loan transaction as appearing in the books of the assessee.*

*3. That in the facts and circumstances of the case, the order of the Ld. Commissioner of Income Tax (Appeals) may be set aside and that of the A.O. be restored.*

*4. That the appellant craves leave to add, modify and / or delete any ground(s) of appeal.”*

3. The assessee is engaged in business of production and trading of sugar. The assessee company filed its original return of income on 29.9.2011 declaring loss of Rs. 2,12,574/- and revised return on 24.9.2012 declaring loss of Rs. 8,57,49,520/-. The Assessing

Officer made addition on account of sale value of pres cake amounting to Rs. 97,91,672/-, addition on account of creditor amounting to Rs. 1,96,73,330/-, addition on account of unsecured loan amounting to Rs. 2,51,47,742/- and addition on account of foreign travelling expenses amounting to Rs. 5,88,333/-.

4. Being aggrieved by the assessment order, the assessee filed appeal before the CIT(A) and the CIT(A) partly allowed the appeal of the assessee.

5. The Ld. DR submitted that the CIT(A) erred in not deciding the issue of demand of Rs. 1,96,73,330/- made by the Assessing Officer on account of unverifiable sundry creditors u/s 68 of the I.T. Act 1961 ignoring the fact that the assessee failed to produce fresh confirmation with copy of bill, ITR and bank transaction detail of depositor to prove the creditworthiness and genuineness of transaction. Ld. DR further submitted that deleting addition of Rs. 2,48,99,269/- by the CIT(A) was not correct as the Assessing Officer has made this addition on account of unsecured loans u/s 68 and also disallowed interest paid on this loan @ 12% as expenses unrelated to business as the assessee failed to produce fresh confirmation with copy of ITR and bank details.

6. Ld. AR relied upon the order of the CIT(A).

7. We have heard both the parties and perused all the relevant material available on record. The CIT(A) has taken the cognizance of additional evidence filed before him and asked the Assessing Officer to place remand report which was taken on record by the CIT(A). Remand report has not given any discrepancy in the evidence produced by the assessee. Thus both the additions were deleted after verification of evidences produced before the CIT(A). Therefore, there is no need to interfere with the findings of the CIT(A). The appeal of the revenue is dismissed.

8. In the result, the appeal of the revenue is dismissed.

**Order pronounced in the open court in presence of both the parties on 10<sup>th</sup> November, 2021.**

**sd/-  
(R.K. PANDA)  
ACCOUNTANT MEMBER**

**sd/-  
(SUCHITRA KAMBLE)  
JUDICIAL MEMBER**

Dated: /11/2021

**Veena**

Copy forwarded to

1. Applicant
2. Respondent
3. CIT
4. CIT (A)
5. DR:ITAT

ASSISTANT REGISTRAR  
ITAT, New Delhi