

**IN THE INCOME TAX APPELLATE TRIBUNAL "A" BENCH, KOLKATA**

**BEFORE SHRI RAJESH KUMAR, AM  
AND  
SHRI SONJOY SARMA, JM**

**ITA Nos.1426 &1010/KOL/2024  
(Assessment Years:2015-16 &2016-17)**

**DCIT, Central Circle-4(2),**  
Room No.506, 5th Floor,  
Aaykar Bhavan Poorva, 110,  
Shantipally, Kolkata, West  
Bengal-700107

**Rajahbhat Tea Company  
Limited**

7B, Alom House, Pretoria  
Street, Kolkata-700071,  
West Bengal

**Vs.**

**(Appellant)**

**(Respondent)**

**PAN No. AABCR2772E**

**CO No. 30/KOL/2024**

(Arising in ITA No. 1426/KOL/2024 for A.Y. 2015-16)

**Rajahbhat Tea Company  
Limited**

7B, Alom House, Pretoria  
Street, Kolkata-700071,  
West Bengal

**DCIT, Central Circle-4(2),**

Room No.506, 5th Floor,  
Aaykar Bhavan Poorva, 110,  
Shantipally, Kolkata, West  
Bengal-700107

**Vs.**

**(Applicant)**

**(Respondent)**

**Assessee by**

: Shri A.K. Tibrewal, AR

**Revenue by**

: Shri Subhendu Datta, DR

**Date of hearing:**

21.11.2024

**Date of pronouncement :**

17.12.2024

**ORDER**

**Per Rajesh Kumar, AM:**

In these appeals preferred by the Revenue and Cross Objection by the assessee against the orders of the Commissioner of Income-tax



(Appeals), Kolkata-27, (hereinafter referred to as the "Ld. CIT(A)") even dated 30/11/2023 for the AYs2015-16 &2016-17.

**ITA No. 1010/KOL/2024**

02. At the outset, we note that there is delay of 83 days in filing the appeal by the Revenue for which the condonation petition has been moved by the Revenue dated 03.05.2024, wherein it has been stated that in order to file the appeal, the file has to go through various stages in the hierarchy for obtaining and approvals and hence, the delay of 83 days in filing the appeal. Considering the contents of the condonation and the arguments of the rival parties we are quite convinced about the sufficiency and genuineness of the reasons for delay and accordingly, condone the same by admitting the appeal for adjudication.
03. The only issue raised by the Revenue in the various grounds of appeal is against the deletion of addition of ₹1,50,00,000/- as made by the Id. AO u/s 68 of the Act, in respect of unsecured loan being unexplained cash credit and also against the deletion of ₹20,57,582/- by CIT (A) which was added by the Id. AO on account of interest on unsecured loan.
04. The facts in brief are that the assessee filed return of income on 14.10.2016, declaring nil income. A search action u/s 132 of the Income-tax Act, 1961 (the Act) was conducted 26.11.2015 and subsequent dates against the persons and business concerns of Jhunjhunwala Group. During the course of search and seizure operation several documents were inventoried and seized. On examination of these documents certain documents were found to be



relating to Rajbhat Tea Company Ltd. the assessee. Accordingly proceedings u/s 153C of the Act was initiated against the assessee. The Id. AO called for the books of accounts and the details from the assessee and finally made an addition of ₹1,50,00,000/- on account of unsecured loan and ₹20,57,582/- in respect of interest on unsecured loans.

05. In the appellate proceedings, the Id. CIT (A) allowed the appeal of the assessee after taking into consideration, the submissions and the contentions raised by the assessee. The Id. AR. Noted that assessee has raised ₹1,50,00,000/- from two parties, namely; Saffron Devcon Pvt. Ltd. of ₹ 1,00,00,000/- and Unity Prodev Ventures Pvt. Ltd. Rs. ₹50,00,000/ and assessee had paid interest ₹20,57,582 to four parties, namely; ₹4,50,000/- to Continental Fiscal Management Ltd., 4,50,000/ to Leisure Devecon Pvt. Ltd., ₹7,07,582/- to Saffron Devcon Pvt. Ltd. & ₹4,50,000/- to Unity Prodev Ventures Pvt. Ltd. The Id. CIT (A) also noted that the receipt of loan of ₹1.5 crore was evidenced by these seized documents. Therefore, held the proceedings u/s 153C of the Act, to be valid proceedings. Thereafter, the Id. CIT (A) after analyzing the facts of the assessee case and various decisions and case laws deleted the addition by holding and observing as under:-

*"6.9. In light of the aforesaid judgements, as well as examining the assessee's submission and considering the assessee's contention, it is noticed that the appellant assessee has discharged its onus by providing the details of the aforesaid two loan creditors, relevant ledgers, respective bank statements as well as confirmation letters from the creditors to verify the veracity of the loans taken. Despite the fact that the AO had enough time to examine the genuineness of the aforesaid loan creditors at length. He only relied on the recorded statements in the search and seizure operations. Additionally, it is also observed that, the assessee company has repaid all the aforesaid loans in the subsequent F.Y.s to all the loan creditors and even along with respective interest amounts. Moreover, the loan creditors have also declared their source of investment in the assessee company in their confirmation letters and the AO hasn't brought any corroborative evidence on record which can prove the aforesaid loans as bogus and as assessee's own money routed through the loan creditors in the form of*



*unsecured loans. Hence, the addition made by the AO of Rs.1,50,00,000/- on account of bogus loan credits is not acceptable and liable to be deleted. Hence, these two grounds of the assessee are allowed.*

....

*7.3. Since, the loan creditors were not proved beyond doubt that they are bogus loan creditors the interest amounts paid against such loans cannot be treated as bogus interest payments. Therefore, the AO is directed to delete the addition of Rs.20,57,582/-. Hence, this ground of appeal raised by the assessee is allowed."*

06. After hearing the rival contentions and perusing the materials available on record, we find that the assessee has fully discharge its onus by providing details of the four creditors. However, the Id. AO instead of carrying on any investigation added the amount of unsecured loans as well as interest on unsecured loans to the total income of the assessee. It is also noted that the assessee has repaid the loans in the subsequent financial year along with interest. Besides the loan creditors have confirmed their loans to the assessee. Thereafter, we do not find any infirmity in the order of the Id. CIT (A) who has discussed the reasons for the deletion of the said additions from page no. 11 to 49 of the appellate order. Accordingly, we uphold the order of Id. CIT (A) dismissed the appeal raised by the Revenue.

#### **ITA No. 1426/KOL/2024**

07. Revenue has challenged the deletion of addition of ₹1 crore by the Id. CIT (A) as well as deletion of ₹3,19,726/- on count of interest on unsecured loans.
08. We have already decided the similar issue in ITA No.1010/KOL/2024 for A.Y. 2016-17.For A.Y. 2015-16. The assessee company had raised unsecured loans of ₹1 crore from two parties namely namely ₹50,00,000/- from Continental Fiscal Management Ltd. and ₹ 50,00,000/- from Leisure Devcon (P) Ltd. and paid interest of ₹



3,19,726 thereon comprising ₹ 2,86,849/- to Continental Fiscal Management Ltd. and ₹ 32,877/- to Leisure Devcon (P) Ltd.during the year under consideration. The assessee has discharged its onus cast upon it by the statute and therefore, the addition is not sustainable in the hands of the assessee . Accordingly, our decision would apply mutatis mutandis to this appeal of assessee in ITA No.1426/KOL/2024. Hence, the appeal of Revenue in ITA No. 1426/KOL/2024 is dismissed.

**CO No. 30/KOL/2024 for A.Y. 2015-16**

09. Coming to CO No. 30/KOL/2024 arising in ITA No. 1426/KOL/2024 for A.Y. 2015-16, since, we have confirmed the order of Id. CIT (A) in ITA no. 1426/KOL/2024, the CO filed in ITA No.30/KOL/2024 for A.Y. 2015-16, challenging the assessment of jurisdiction u/s 153C of the Act, is dismissed as not pressed.
010. In the result, the appeals of the Revenue as well as CO of the Assessee are dismissed.

Order pronounced in the open court on 17.12.2024.

Sd/-  
(SONJOY SARMA)  
(JUDICIAL MEMBER)

Sd/-  
(RAJESH KUMAR)  
(ACCOUNTANT MEMBER)

Kolkata, Dated: 17.12.2024

*Sudip Sarkar, Sr.PS*



Copy of the Order forwarded to :

1. The Appellant
2. The Respondent
3. CIT
4. DR, ITAT,
5. Guard file.

True Copy//

BY ORDER,

Sr. Private Secretary/ Asst. Registrar  
Income Tax Appellate Tribunal, Kolkata