

आयकर अपीलिय अधिकरण
दिल्ली पीठ "एस एम सी", दिल्ली
श्री विकास अवस्थी, न्यायिक सदस्य

IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH "SMC", DELHI
BEFORE SHRI VIKAS AWASTHY, JUDICIAL MEMBER

आअसं.1191/दिल्ली/2024 (नि.व. 2015-16)

ITA No.1191/DEL/2024 (A.Y.2015-16)

Assistant Commissioner of Income Tax,
Circle-10(1), R. No. 389A, 3rd Floor, CR Building,
IP Estate, Delhi 110001

..... अपीलार्थी/Appellant

बनाम Vs.

Headstart International P. Ltd.,
105, South Ex Plaza-II, South Extn-II,
New Delhi 110049

PAN: AACCH-4799-N

..... प्रतिवादी/Respondent

अपीलार्थी द्वारा/ Appellant by : Shri Rajesh Tiwari, Sr. DR

प्रतिवादीद्वारा/ Respondent by : Shri Saubhgya Aggarwal, Advocate

सुनवाई की तिथि/ Date of hearing : 09/12/2024

घोषणा की तिथि/ Date of pronouncement: : 27/02/2025

आदेश/ORDER

PER VIKAS AWASTHY, JM:

This appeal by the Revenue is directed against the order of Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi (hereinafter referred to as 'the CIT(A)') dated 17.01.2024, for assessment year 2015-16.

2. Shri Rajesh Tiwari, representing the department submits that the assessee has taken unsecured loans from various parties. During the course of assessment proceedings, the assessee could not substantiate creditworthiness and genuineness of loans in respect of following two parties:

Name	Loan Amount
Bhushan Power & Steel Ltd.	2,10,00,000/-
Flash Broadcasting TV Pvt. Ltd.	3,24,00,000/-

Hence, the Assessing Officer (AO) made addition of unproved unsecured loans u/s. 68 of the Income Tax Act, 1961(hereinafter referred to as 'the Act'). The CIT(A) deleted unsecured loan from Bhushan Power & Steel Ltd. holding that since the assessee has repaid loan during relevant period, therefore, no addition could be made u/s. 68 of the Act. The addition of Rs.3,24,00,000/- in respect of loan from Flash Broadcasting TV P. Ltd. was deleted by the CIT(A) merely for the reason that loan was received through banking channel. The Id. DR submitted that the CIT(A) has further deleted addition of Rs.7,83,749/- in respect of unproved expenditure holding that the AO has failed to point out any defect in books of the assessee. The AO had made estimated disallowance of expenditure in respect of conveyance, traveling & sale promotion expenses as the assessee could not fully substantiate the expenditure with documentary evidences. The Id. DR vehemently defending the assessment order prayed for reversing findings of the CIT(A) on the above issues.

3. Per contra, Shri Saubhgya Aggarwal appearing on behalf of the assessee strongly supported findings of the CIT(A) and prayed for dismissing appeal of the Revenue. The Id. Counsel for the assessee submits that the assessee has received unsecured loans to the tune of Rs.2,10,00,000/- from Bhushan Power & Steel Ltd. during the Financial Year 2014-15. The assessee had opening balance of unsecured loan Rs.7,00,000/-. Entire loan amount was repaid during the relevant assessment year. The Revenue never questioned genuineness and creditworthiness of lender in the preceding assessment years. In so far as loan taken during period relevant to assessment year under appeal, the loan taken was repaid within the same year. In

so far as unsecured loan from Flash Broadcasting TV Pvt. Ltd., the assessee had taken loan through banking channel and had furnished various documents to prove genuineness of loan transaction and the creditworthiness of lender, the CIT(A) deleted the addition.

3.1. In respect of ad-hoc disallowance made by AO on account of conveyance, traveling expenses and sale expenditure, the Id. Counsel for the assessee submitted that the AO without pointing any defect in the books of assessee made ad-hoc disallowance without any valid reason.

4. Both sides heard, orders of the authorities below examined. The Revenue in appeal has raised three grounds assailing deleting of addition made u/s. 68 of the Act on account undisclosed income and challenging findings of the CIT(A) in deleting ad-hoc disallowance of Rs.7,83,749/- in respect of conveyance, travel and sale promotion expenses.

5. The assessee had taken unsecured loans from Bhushan Power & Steel Ltd. of Rs.2,10,00,000/- during the relevant year and has repaid the said amount during the period relevant to impugned assessment year itself. From perusal of assessment order it is evident that the assessee had also taken unsecured loan of Rs.70,00,000/- from aforesaid company during preceding assessment year. The assessee repaid opening balance of unsecured loan alongwith fresh unsecured loan during the Financial Year 2014-15. Since, opening unsecured loan was never subject matter of dispute in the preceding assessment years, questioning unsecured loan received during Financial Year 2014-15 and repaid during the same Financial Year is without any merit. Hence, I find no error in findings of the CIT(A) in deleting addition u/s. 68 of the Act on account of unsecured loan from Bhushan Power & Steel Ltd.

6. As regards unsecured loan from Flash Broadcasting TV Pvt. Ltd., the assessee was able to substantiate identity, creditworthiness and genuineness of transaction. The unsecured loan was transferred by Flash Broadcasting TV Pvt. Ltd. to the assessee through banking channel; and the company had filed confirmation as well, hence, there was no element of any doubt regarding the source of receipt of loan amount. The AO without making inquiry or summoning the Directors of the company to verify the genuineness of loan transaction or creditworthiness of lender made arbitrary addition. The CIT(A) has rightly deleted addition u/s. 68 of the Act in respect of aforesaid unsecured loan. The ground no. 1 and 2 raised in Department's appeal are devoid of any merit, hence, dismissed.

7. In so far as deleting of ad-hoc disallowance of expenditure, the assessee was able to substantiate the expenditure by furnishing relevant documents. The AO merely on presumptions and assumptions made ad-hoc disallowance at the rate of 5% of total expenditure without pointing any defect or short coming in documents furnished by the assessee. The CIT(A) has rightly deleted the addition made on mere estimations. I find no merit in ground no. 3 of appeal as well. Hence, the same is dismissed.

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

Order pronounced in the open court on Thursday the 27th day February, 2025.

Sd/-

(VIKAS AWASTHY)

न्यायिक सदस्य/JUDICIAL MEMBER

दिल्ली/Delhi, दिनांक/Dated 27.02.2025

NV/-

प्रतिलिपि अग्रेषित Copy of the Order forwarded to :

1. अपीलार्थी/The Appellant ,
2. प्रतिवादी/ The Respondent.
3. The PCIT/CIT(A)
4. विभागीय प्रतिनिधि, आय.अपी.अधि., दिल्ली /DR, ITAT, दिल्ली
5. गार्ड फाइल/Guard file.

BY ORDER,

//True Copy//

(Dy./Asstt. Registrar) ITAT, DELHI