

IN THE INCOME TAX APPELLATE TRIBUNAL DELHI
[DELHI BENCH : "DEHRADUN/ NEW DELHI"]
BEFORE SHRI YOGESH KUMAR U.S., JUDICIAL MEMBER
AND
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER

I.T.A. No. 211/DDN/2024 (A.Y 2017-18)

Sh. Charanjeet Lal Arora M/s Amit Agencies, Village Sarai, Near Sabji Mandi, Jwalapur, Haridwar-249407, Uttarakhand PAN: AANPA9280F	Vs	ACIT Circe (1)(3)(1) Haridwar Uttarakhand
Appellant		Respondent
Assessee by	Sh. Salil Aggarwal, and Sh. Shailesh Gupta, Advs	
Revenue by	Sh. A. S. Rana, Sr. DR	
Date of Hearing	08/07/2025	
Date of Pronouncement	29/07/2025	

ORDER

PER YOGESH KUMAR, U.S. JM:

The present appeal is filed by the Assessee against the order of Ld. Commissioner of Income Tax (Appeals)-Addl/JCIT (A)-1, Surat ('Ld. CIT(A)' for short), New Delhi dated 18/09/2024 for the Assessment Year 2017-18.

2. Brief facts of the case are that, the Assessee being individual, engaged in business of wholesale trading of spices and edible oil, filed his return of Income declaring total income at Rs. 36,87,760/-, Subsequently, the case was selected for scrutiny under CASS. The Assessing Officer completed the scrutiny proceedings on 16/12/2019 under section 143(3) of the Income Tax Act, 1961 ('Act' for short) by making an addition of Rs. 8,00,000/- on account of unexplained credit u/s. 68 of the Act. Aggrieved by the assessment order dated

16/12/2019, the Assessee preferred an Appeal before the Ld. CIT(A). The Ld. CIT(A) vide order dated 18/09/2024, dismissed the Appeal filed by the Assessee. As against the order of the Ld. CIT(A), the present Appeal has been preferred by the Assessee.

3. The Ld. Counsel for the Assessee vehemently submitted that, the Assessee has produced bank statement of the lender from where loan was received by the Assessee. The A.O. has also issued notice u/s 131 of the Act to the lender in question Sh. Om Bahadur, who has produced all requisite documents called by the A.O. Further the loan amount has been received of the Assessee by banking channel. Further submitted that, the Assessee has discharged his burden to prove the identity, genuineness of the creditworthiness of the lender, however, the Lower Authorities error in making/confirming the addition, which deserves to be deleted.

4. Per contra, the Department's Representative submitted that an amount of Rs. 8,00,000/- has been given to the Assessee by Sh. Om Bahadur, whereas just before the said transaction, the said Om Bahadur has deposited a cash of Rs. 16,60,000/-. Further submitted that, the sum received by the Assessee in garb of unsecured loan showing lack of creditworthiness, hence the authorities below have rightly considered the same as unexplained credit u/s 68 of the Income Tax Act, 1961, which requires no interference at the hands of the Tribunal.

5. We have heard both the parties and perused the material available on record. During the assessment proceedings, the A.O. asked to furnish complete details of unsecured loans received from various person in order to verify the genuinenity of the same. In response, the Assessee furnished the documents, however, the A.O. doubted an unsecured loan received from Sh. Om Bahadur to the tune of Rs. 8,00,000/-. The A.O. has also issued notice u/s 131 of the Act to the said Om Bahadur asking him to produce all bank account statements, ITR with computation for Assessment Year 2017-18 and statement of affair for Assessment Year 2017-18 and 2018-19. In response the said Sh. Om Bahadur has produced all the requisite documents called by the A.O. Further, the said Om Bahadur has also given confirmation regarding lending the unsecured loan to the Assessee. However, without appreciating the above documents the A.O. made addition only on the ground that there was cash deposits in the account of Sh. Om Bahadur just prior to transfer of the loan to the Assessee.

6. As could be seen from the record, there is nothing brought on record by the Revenue to show that the Assessee or Assessee's cash has been deposited in the bank account of Sh. Om Bahadur and thereafter the said amount has been transferred to the Assessee. Apart from the same, the Assessee has discharged his initial his burden as required u/s 68 of the Act and even the lender has also

given the confirmation as well as requisite documents to the authorities, therefore, we find that the authorities below have committed error in making the addition of Rs. 8,00,000/- u/s 68 of the Act. Accordingly, the addition made by the A.O. which is confirmed by the Ld. CIT(A) is here by deleted.

7. In the result, the appeal of the Assessee is allowed.

Order pronounced in the open court on 29th July, 2025

Sd/-

**(MANISH AGARWAL)
ACCOUNTANT MEMBER**

Date:- 29.07.2025

R.N, Sr.P.S*

Copy forwarded to:

1. **Appellant**
2. **Respondent**
3. **CIT**
4. **CIT(Appeals)**
5. **DR: ITAT**

Sd/-

**(YOGESH KUMAR U.S.)
JUDICIAL MEMBER**

**ASSISTANT REGISTRAR
ITAT, NEW DELHI**

