

**IN THE INCOME TAX APPELLATE TRIBUNAL  
(DELHI BENCH: 'F': NEW DELHI)**

**BEFORE SHRI S RIFAUR RAHMAN, ACCOUNTANT MEMBER  
AND  
SHRI SUDHIR PAREEK, JUDICIAL MEMBER**

**ITA No:- 1680/Del/2018  
(Assessment Year- 2010-11)**

M/s Lall construction Co. AA- 105, Shalimar Bagh, New Delhi-110088.	Vs.	Asstt. Commissioner of Income Tax, Circle-34(1), New Delhi.
<b>PAN No: AACFL0648M</b>		
<b>APPELLANT</b>		<b>RESPONDENT</b>

**Assessee by** : Sh. Salil Kapoor, Adv. &  
Sh. Utkarsa Kumar Gupta, Adv.  
**Revenue by** : Sh. Harpreet Kaur Hansra, Sr. DR

**Date of Hearing** : 09.07.2025  
**Date of Pronouncement** : 31.07.2025

**ORDER**

**PER SUDHIR PAREEK, JM:**

The aforecaptioned appeal has been preferred by the Assessee against the order of Ld. Commissioner of Income Tax (Appeals)- 12, New Delhi ([in short (Ld. CIT(A))] dated 13.11.2017 for A.Y. 2010-11.

1.1. The Assessee/appellant has raised the following grounds of appeal for adjudication:

*“1. On the facts and circumstances of the case, the order passed by the Ld. CIT(A) is erroneous and bad in law.*

*2. that the Ld. CIT (Appeal) has erred in upholding Penalty u/s 271(1)(c) of Rs. 21,63,000/- on account of Unsecured Loans considering the same as unexplained credit u/s 68 of the I. Tax Act, 1961 without appreciating the facts brought on records during the course of appellate proceedings..”*

2. The only issue raised by the assessee in this appeal is against the upholding of penalty levied under Section 271(1)(c) in respect of the addition made on account of unexplained unsecured loans under Section 68 of the Income Tax Act, 1961 (‘the Act’).

3. It is brought to our notice that the quantum addition in respect of the aforesaid unsecured loans has already been disposed of by the coordinate Bench of the Tribunal in assessee’s appeal vide order dated 03.02.2025 passed in ITA No. - **4710/Del/2015** in respect of Vivad Se Vishwas Scheme, 2024 (DTVSV 2024), dismissed as withdrawn subject to a caveat that in case the dispute relating to tax arrears not resolved, the appellant shall be at liberty to approach the Tribunal for reinstatement of the respective appeal.

4. Since the very basis of levy of penalty under Section 271(1)(c) is under settlement as stated above, it is expedient to delete the penalty in question, subject to condition that in case the main dispute could not resolved in aforesaid provision and the appellant preferred to approach the Tribunal as stated hereinbefore for reinstatement the respective appeal, the appellant shall also be at liberty to approach the Tribunal for reinstatement of this appeal and the appeal of the assessee is deserves to be allowed by deleting the penalty levied under section 271(1)(c) on above terms.

6. Consequently, appeal of the assessee is allowed as indicated above.

Order pronounced in open court on 31.07.2025

Sd/-

**(S RIFAUH RAHMAN)**  
**ACCOUNTANT MEMBER**

Sd/-

**(SUDHIR PAREEK)**  
**JUDICIAL MEMBER**

Dated: 31/07/2025.

Pooja/-

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT

4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR  
ITAT NEW DELHI