

आयकर अपीलीय अधिकरण न्यायपीठ रायपुर में।  
IN THE INCOME TAX APPELLATE TRIBUNAL,  
RAIPUR BENCH, RAIPUR

BEFORE SHRI PARTHA SARATHI CHAUDHURY, JUDICIAL MEMBER  
AND  
SHRI ARUN KHODPIA, ACCOUNTANT MEMBER

आयकर अपील सं. / ITA No.156/RPR/2025  
निर्धारण वर्ष / Assessment Year : 2021-22

The Deputy Commissioner of Income Tax-1(1),  
Raipur (C.G.)

.....अपीलार्थी / Appellant

**बनाम / V/s.**

Chhattisgarh State Power Distribution Company Limited  
Vidyut Seva Bhawan,  
Daganiya (C.G.)-492 001  
PAN: AADCC6047K

.....प्रत्यर्थी / Respondent

Assessee by : Shri Praveen Khandelwal &  
Shri Praveen Goyal, CAs

Revenue by : Shri Ram Tiwari, CIT-DR

सुनवाई की तारीख / Date of Hearing : 06.08.2025

घोषणा की तारीख / Date of Pronouncement : 06.08.2025

**आदेश / ORDER****PER PARTHA SARATHI CHAUDHURY, JM:**

This appeal preferred by the revenue emanates from the order of the Ld.CIT(Appeals)/NFAC, Delhi dated 15.01.2025 for the assessment year 2021-22 as per the following grounds of appeal:

“(1) Whether on the facts and in the circumstances of the case and in law, the Ld. CIT(Appeals) was justified in deleting the additions made by AO to tune of Rs.8,70,74,192/- on account of unexplained interest received from parties as unexplained cash credit u/s.68 of the Act relying upon the submission of the assessee and thereby ignoring the facts brought on the record by the AO.

(2) Whether on the facts and in the circumstances of the case and in law, the ld. CIT(A) was justified in deleting the additions made by the AO to the tune of Rs.8,58,16,078/- on account of payments made u/s. 194J as un explained expenditure u/s 69C of the Act relying upon the submission of the assessee and thereby ignoring the facts brought on the record by the AO.

(3) Any other ground which may be adducted at the time of hearing.”

2. As per the assessment order, there were two additions made by the A.O which are as follows:

**“(i) Unexplained interest received from parties (Unexplained cash credit u/s 68 of the Act) : Rs. 8,70,74,192/-**

As per assessment order, the assessee was asked to furnish list of parties from whom interest payments were received, agreement with parties, ITRs of parties and bank account statement highlighting payments received. The assessee in response to the same has submitted list of parties and supporting bank account statement only but failed to furnish ITRs of parties, transactions in lieu of which interest payment was received as well as agreement with parties. Hence, an amount of Rs.8,70,74,192/- was added to

the total income of the assessee as unexplained cash credit u/s 68 as per provision of section 115BBE of the Act.

**(ii) Payments made u/s 194J (Unexplained expenditure u/s 69C of the Act) : Rs.8,58,16,078/-**

As per assessment order, the assessee was asked to furnish list of parties to whom payments under 194J were made along with ITRs of parties, agreement with parties, nature of work done and bank account statement highlighting payments made. The assessee in response to the same has submitted list of parties and supporting bank account statement only but failed to furnish ITRs of parties, details of work done by the parties and agreement with the parties. Further, in order to verify the genuineness of the transactions notices u/s. 133(6) of the Act were issued to various parties but no confirmation has been received from any of the party. Hence, in absence of any valid documentary evidences and party confirmations an amount of Rs.8,58,16,078/- was added to the total income of the assessee as unexplained expenditure u/s. 69C as per provisions of section 115BBE of the Act.”

3. That with regard to the first addition i.e. unexplained cash credit u/s.68 of the Income Tax Act, 1961 (for short ‘the Act’) of Rs.8,70,74,192/, the Bench had directed the Ld. CIT-DR to obtain a report from the jurisdictional A.O who has commented regarding the same. That on this date of hearing, the CIT-DR read out the said findings of the A.O on this addition. The relevant paras of the report submitted by the A.O dated 02.07.20225 are extracted as follows.

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(i) **Unexplained interest received from parties (Unexplained cash credit u/s 68 of the Act): Rs. 8,70,74,192/-**

I have gone through the paper books filed by the assessee wherein it has been submitted by the assessee on the aforesaid issue as under:-

During the year under consideration, the appellant has credited its profit & loss account by Rs. 8,70,74,192/- on account of interest income. During the course of assessment proceedings, the assessing officer asked to furnish the details of interest income. The appellant vide its reply dated 24/11/2022 filed the details of interest income. The bifurcation of interest income along with explanation of the appellant submitted before the assessing officer is as under:

S. No.	Nature	Amount	Remarks
1	Interest on Housing Loan	4,55,062	The assessee company has given housing loan advance to its employees against interest. The amount stated as interest income against this head is the amount which the assessee company has received/recovered against the housing loan given to its employees.
2	Interest on vehicle Loan	57,125	The assessee company has given vehicle loan advance to its employees against interest. The amount stated as interest income against this head is the amount which the assessee company has received/recovered against the vehicle loan given to its employees.

3	Interest on Computer Loan	2,09,256	The assessee company has given computer loan advance to its employees against interest. The amount stated as interest income against this head is the amount which the assessee company has received/recovered against the computer loan given to its employees.
4	Interest advance from contractor/suppliers	-61,74,417	Interest paid on account of deposits received from the suppliers/contractors against the tenders which the assessee company allots.
5	Interest on IT refund	9,25,27,166	The figure of Income Tax Refund and interest on Income Tax Refund is mentioned in the form 26AS at page no. 51 at Part-D "Details of paid refund" and copy of bank statement highlighting the receipt of the same is enclosed herewith.
<b>Total</b>		<b>8,70,74,192</b>	

From the above, it is observed that major portion of interest income on IT refund of Rs.9,25,27,166/- as per 26AS has already been accounted for

by the assessee in his books of accounts and offered for taxation. Therefore, addition made by the A.O NEAC on account of unexplained credit u/s. 68 of the Act is not warranted here.”

4. The Ld. CIT(Appeals)/NFAC had provided relief to the assessee by observing as follows:

“From perusal of the facts and circumstances of this case, the appellant is sufficiently found proving the source of the interest income and there is found unjust implication of provisions of section 68, as the appellant itself offered the interest income as its income in the profit & loss account. Further, the interest income offered by the appellant is significantly on account of interest on IT Refund, hence, there cannot be question of any unexplained credit. AO failed to rebut the submission of the appellant and failed to bring on record how the interest income is unexplained credit for the appellant. Therefore, the addition made by the assessing officer is incorrect and without appreciating documentary evidences submitted by the appellant. The addition of Rs.8,70,74,192/- is directed to be deleted. Ground no. 3 is allowed.”

5. The Ld. CIT-DR fairly conceded as per afore-stated report of the A.O and did not contest the relief provided by the Ld. CIT(Appeals)/NFAC. We, also, find no infirmity with the findings of the Ld. CIT(Appeals)/NFAC which is hereby upheld. Thus, **the Ground of appeal No.1 raised by the revenue is dismissed.**

6. That with regard to the second addition made by the A.O i.e. payment made u/s.194J of the Act i.e. unexplained expenditure u/s. 69C of the Act of Rs.8,58,16,078/-, the A.O submitted a report that was read out by the Ld. CIT-DR during the course of hearing. The relevant paras of

the said report dated 02.07.2025 regarding this addition is culled out as follows:

(ii) Payments made u/s 194J (Unexplained expenditure u/s 69C of the Act) : Rs. 8,58,16,078/-

I have gone through the paper books filed by the assessee wherein it has been submitted by the assessee on the aforesaid issue as under-

*In this regard, it is submitted that the assessee company is not in possession of the ITRs of the parties to whom professional charges has been paid, since, the same is confidential document of the parties. Further, with regard to highlighting of transaction or payment of professional charges in bank account, it is submitted that the same is very voluminous data running into 1000 of pages and as explained earlier that the assessee company is State Government Undertaking which is managed by IAS being Managing Directors of the assessee company. All the expenses incurred by the assessee company is monitored and made under fixed delegation of power- authority on the rank of officers, hence, it will take more time.*

*However, the assessee company is further furnishing the details of payments above Rs. 5,00,000/- made to parties under the head professional charges. The total of such payment comes at Rs. 6,01,88,784/- which is more than 70% of the total expenses claimed by the assessee company. Party wide details of the payment above Rs. 5,00,000/- alongwith their address and PAN is as under:*

S. No.	Name of Party	PAN	Address	Amount
1	State Electricity Regulatory		Gaurav Path, Indravati Colony, Raipur (C.G.)	4,83,81,194
2	Rajkumar Mehta	AGBPM2799R	C-76, Neeti Bagh, New Delhi 110001	6,70,712
3	PFC Consulting Limited	AAECP6182F	9 <sup>th</sup> Floor, Wing Stes Man House, Cannought Place, New Delhi 110001	13,31,512
4	CRISIL Risk & Infrastructure Solution Limited	AABCC4655M	9 <sup>th</sup> Floor, Hindustan Times Building, Kastur, New Delhi 111111	6,29,280
5	REC Power Development and Consultancy Limited	AADCR7399K	Samta Colony, Raipur 492001	46,68,127

*The appellant being a State Government Undertaking makes all the payments through banking channels only and the affairs of the appellant company are managed by IAS being Managing Director. Each and every payment made by the appellant company is duly supported by bills and vouchers. The assessing officer has failed to point out any defect/deficiency in the documents submitted by the expenses appellant incurred and also failed to bring on record any evidence which even remotely suggests that the by the appellant is not genuine.*

“Since the assessee company had provided the details of parties to whom payments made more than 5 lakh under the head professional charges. The total of the payment comes at Rs.6,01,88,784/- which is more than 70% of the total expenses claimed by the assessee company. Further, as per assessee's submission, out of total expenses incurred on account of professional charges more than 70% of the expenses are paid to various Government entities only.”

7. The Ld. CIT(Appeals)/NFAC had provided relief to the assessee by observing as follows:

“From perusal of the facts and circumstances appearing of the case, this appeal is inclined to hold that appellant was sufficiently found discharging its onus before AO of providing the relevant details regarding these payments on professional accounts. AO is seen not found making any infirmity in these and addition was based solely for want of ITR of the parties enquired and the enquiries made from 05 parties are also found not confronted with the appellant. Therefore, in consideration of above discussion, this appeal is of considered view that action of AO in charging provisions of section 69C are unwarranted and the disallowance made of Rs.8,58,16,078/- u/s. 69C is directed to be deleted. Ground no. 2 is allowed.”

8. The Ld. CIT-DR fairly conceded as per the afore-stated report of the A.O and did not contest the relief provided by the Ld. CIT(Appeals)/NFAC. We, also, find no infirmity with the findings of the Ld. CIT(Appeals)/NFAC which is hereby upheld. Thus, **the Ground of appeal No.2 raised by the revenue is dismissed.**

9. **Ground of appeal No.3** is only general in nature, hence requires no adjudication.

10. As per the above terms grounds of appeal raised by the revenue are dismissed.

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

Order pronounced in the open court on 06<sup>th</sup> day of August, 2025.

Sd/-  
**ARUN KHODPIA**  
**(ACCOUNTANT MEMBER)**

Sd/-  
**PARTHA SARATHI CHAUDHURY**  
**(JUDICIAL MEMBER)**

रायपुर/ RAIPUR ; दिनांक / Dated : 06<sup>th</sup> August, 2025.

SB, Sr. PS

**आदेश की प्रतिलिपि अग्रहित / Copy of the Order forwarded to :**

1. अपीलार्थी /The Appellant.
2. प्रत्यर्थी /The Respondent.
3. The Pr. CIT-1, Raipur (C.G.)
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, रायपुर बेंच,  
रायपुर / DR, ITAT, Raipur Bench, Raipur.
5. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

**// True Copy //**

Senior Private Secretary  
आयकर अपीलीय अधिकरण, रायपुर / ITAT, Raipur.