

आयकर अपीलीय 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.7131/दिल्ली/2025 (नि.व. 2018-19)  
ITA No.7131/DEL/2025 (A.Y.2018-19)

Assistant Commissioner of Income Tax,  
Central Circle-25, R.no 317, 3<sup>rd</sup> Floor, ARA Centre,  
Jhandewalan Extn. Delhi 110055

..... अपीलार्थी/Appellant

बनाम Vs.

Bijwasan Realty One P. Ltd.,  
85A, Rishy Amook, Panchkuian Road,  
New Delhi 110001  
PAN: AAFCR-3144-L

..... प्रतिवादी/Respondent

अपीलार्थी द्वारा/Appellant by : Shri Manoj Kumar, Sr. DR  
प्रतिवादीद्वारा/Respondent by : Shri Abhishek Jain, Chartered Accountant &  
Ms. Sunidhi Sharma, Advocate

सुनवाई की तिथि/ Date of hearing : 15/12/2025

घोषणा की तिथि/ Date of pronouncement : 02/01/2026

आदेश/ORDER

**PER VIKAS AWASTHY, JM:**

This appeal by the Revenue is directed against the order of Commissioner of Income Tax (Appeals)-29, New Delhi [in short 'the CIT(A)'] dated 16.07.2025, for Assessment Year 2018-19.

2. The appeal is time barred by 7 days. The Revenue has filed an application citing reasons for delay in filing of appeal. After perusal of the same, I am satisfied that delay in filing of appeal is not intentional, the delay has been caused for the reasons stated in application which appears to be *bonafide*. Considering the

explanation furnished by the Department, delay of 7 days in filing of appeal is condoned and appeal is taken up for adjudication on merits.

3. Shri Abhishek Jain, appearing on behalf of the assessee submits that the assessee is a private limited company engaged in the business of construction, development and sale of land. The assessee filed its return of income for A.Y. 2018-19 on 29.10.2018 declaring Nil income. The case was reopened u/s.147 of the Income Tax Act, 1961 (hereinafter referred to as 'the Act'), notice u/s. 148 was issued on 29.03.2022. In response, the assessee filed return of income on 12.04.2022 again declaring Nil income. During reassessment proceedings, the Assessing Officer (AO) noted that the assessee had made a transaction of Rs.25,97,503/- with M/s KG Finvest Pvt. Ltd. during the relevant previous year, representing interest paid on unsecured loan. The AO was of the view that M/s KG Finvest Pvt. Ltd. was a dummy/shell entity allegedly controlled by an entry operator, and was engaged in providing accommodation entries. The assessee had availed unsecured loan of Rs.3,00,00,000/- from M/s KG Finvest Pvt. Ltd., a RBI registered NBFC, under a loan agreement dated 10.06.2015. The assessee paid interest of Rs.25,97,503/- during the year through banking channel after deduction of tax at source under section 194A of the Act. It was further submitted that the entire loan along with interest was repaid during the same financial year. The transaction was genuine and undertaken in the normal course of business. The AO rejected submissions of the assessee and made addition of Rs.25,97,503/- u/s.69C of the Act. The assessee filed appeal before the CIT(A) inter alia challenging validity of reassessment proceedings, as well as, addition on merits. The CIT(A), after considering the submissions of the assessee and the evidences available on record, upheld validity of reopening of assessment, on merits, the CIT(A) deleted

the addition of Rs.25,97,503/- made under section 69C of the Act holding that the assessee has discharged its onus in establishing identity & creditworthiness of creditor and genuineness of the transaction.

4. Shri Manoj Kumar, representing the department vehemently supported the assessment order and submitted that the lender was a shell entity and was engaged in providing accommodation entries. The assessee failed to prove genuineness of the transaction and creditworthiness of the lender.

5. Both sides heard, orders of the authorities below examined. The AO had made addition of Rs.25,97,503/- u/s.69C of the Act. In respect of transaction of repayment of interest by the assessee on the loan taken from M/s KG Finvest Pvt. Ltd, the AO has held the lender to be an entry operator. During the course of assessment proceedings and First Appellate proceedings, the assessee has furnished various documents viz.

- Copy of loan agreement entered between the parties;
- Loan sanction letter issued by the lender;
- Copy of PAN card of the lender;
- RBI certificate granting the status of an NBFC to the lender;
- Loan account ledger of the lender;
- Interest account ledger of the lender;
- Bank statement of the assessee from where loan was repaid; and
- Copy of audited financial statements of assessee for the assessment year in which loans was repaid.

The assessee had taken unsecured loan of Rs.3 crores from M/s KG Finvest Pvt. Ltd. in the FY 2015-16, no material is placed on record that objection was

raised by the Revenue in AY 2016-17 i.e. relevant to the FY 2015-16 with regard to creditworthiness and identity lender or genuineness of transaction. Thus, the transaction of extending loan to the assessee by M/s. K G Finvest P. Ltd. was accepted to be genuine. In the impugned assessment year, the assessee has repaid the entire loan amount along with interest after complying with the provisions of TDS. When the loan was accepted as genuine in the year of disbursement, no disallowance of interest payment can be made in the subsequent assessment year on said loan. The CIT(A) has given a categorical finding that the assessee has discharged its primary onus in establishing identity and creditworthiness of the creditor and genuineness of the transaction by furnishing relevant documents such as; PAN, ITR, financial statements, confirmation letter, bank statement, etc. of the lender. I find no infirmity in the impugned order, hence, the same is upheld and appeal of the Revenue is dismissed being devoid of any merit.

Order pronounced in the open court on Friday the 02<sup>nd</sup> day of January, 2026.

Sd/-

(VIKAS AWASTHY)

न्यायिक सदस्य/JUDICIAL MEMBER

दिल्ली/Delhi, दिनांक/Dated 02/01/2026

NV/-

**प्रतिलिपि अग्रेषितCopy 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.

//True Copy//

BY ORDER,

(Asstt. Registrar) ITAT, DELHI