

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.7127/दिल्ली/2025 (नि.व. 2018-19)
ITA No.7127/DEL/2025 (A.Y.2018-19)

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

..... अपीलार्थी/Appellant

बनाम Vs.

Bans Aerosol P. Ltd.,
3/110, Lalita Park, Laxmi Nagar, Delhi 110092
PAN: AACCB-1901-C

..... प्रतिवादी/Respondent

अपीलार्थी द्वारा/Appellant by : Shri Manoj Kumar, Sr. DR
प्रतिवादीद्वारा/Respondent by : Shri Akash Ojha, Advocate (Through VC)

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, Delhi [in short 'the CIT(A)'] dated 07.07.2025, 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 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 Akash Ojha, appearing on behalf of the assessee submits that the assessee company is engaged in the business of manufacture and supply of industrial chemicals and aerosol products. The assessee filed its return of income for A.Y. 2018-19 declaring total income of Rs.5,98,640/-. The AO received information from the Investigation Wing, Chandigarh, alleging that the assessee had obtained bogus entry of unsecured loan from M/s Sirsa Deposits and Advances Pvt. Ltd. amounting to Rs.12,10,956/- during the relevant financial year. Based on said information, proceedings u/s. 148A of the Income Tax Act,1961(hereinafter referred to as 'the Act') were initiated. The assessment was completed under section 147 read with section 144B of the Act on 24.03.2023, making following additions:

(i) Addition of Rs.15,00,000/- u/s.68 of the Act treating unsecured loan as unexplained cash credit; &

(ii) Addition of Rs.98,088/- u/s.69C of the Act treating interest expenditure as unexplained.

Aggrieved, the assessee filed appeal before the CIT(A). The CIT(A) after considering submissions and documentary evidences available on record allowed appeal of the assessee on merits, and deleted the additions made by the Assessing Officer. The Id. Counsel, thus supporting the order of CIT(A) prayed for dismissing appeal of the assessee.

4. Shri Manoj Kumar, representing the department vehemently defending the Assessment Order submitted that the Investigation Wing had unearthed a well-organized accommodation entry racket. M/s Sirsa Deposits and Advances Pvt. Ltd.

is one such shell entity lacking creditworthiness and engaged in providing bogus entries. Therefore, the additions were rightly made by the AO.

5. Both sides heard, orders of the authorities below examined. The assessee had taken unsecured loan of Rs.15,00,000/- from M/s Sirsa Deposits and Advances Pvt. Ltd. during FY 2017-18. To prove creditworthiness and identity of the lender and genuineness of the transaction, the assessee furnished following documents before the authorities below:-

- Copy of Income Tax Return (ITR) for the F.Y. 2017-18 of the appellant;
- Copy of the Bank Statement for F.Y. 2017-18 of the appellant;
- Copy of the Loan Agreement between appellant and M/s. Sirsa Deposits and Advances Pvt. Ltd.;
- Copy of TDS Certificate for the F.Y. 2017-18 evidencing deduction of tax on interest paid;
- Copy of Ledger accounts of the appellant in the books of M/s. Sirsa Deposits and Advances Pvt. Ltd.;
- Copy of the Bank Statement for the F.Y. 2017-18 of M/s. Sirsa Deposits and Advances Pvt. Ltd.; &
- Confirmation from M/s. Sirsa Deposits and Advances Pvt. Ltd. in response to the notice u/s 133(6) wherein it submitted its ITRs, bank statement, and confirmation of loan.

The AO without considering the document furnished by the assessee held that the loan taken by the assessee from M/s Sirsa Deposits and Advances Pvt. Ltd. is non genuine and is merely an accommodation entry. The CIT(A) after examining the aforesaid document concluded that the loan transaction was genuine and the assessee has discharged his onus in establishing identity, genuineness and

creditworthiness of the loan creditor. The AO has merely relied on Investigation Report without applying independent mind on the documentary evidences furnished by the assessee. The AO has further failed to take note of the fact that M/s. Sirsa Deposits and Advances Pvt. Ltd. has responded to notice issued u/s.133(6) of the Act and has furnished copy of its bank statement, ITRs and Loan Agreement. The findings of the AO are purely based on assumptions and pre-determined notions. It is also an undisputed fact that the assessee has repaid entire loan amount along with interest in FY 2020-21. I find no infirmity in the finding of the CIT(A), hence, the same are upheld and appeal of the Revenue is dismissed being devoid of any merit.

Order pronounced in the open court on Friday the 02nd 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