

**IN THE INCOME TAX APPELLATE TRIBUNAL “D” BENCH, KOLKATA**

**SHRI RAJESH KUMAR, ACCOUNTANT MEMBER  
SHRI PRADIP KUMAR CHOUBEY, JUDICIAL MEMBER**

**I.T.A. No. 1676/Kol/2025  
(Assessment Year 2012-13)**

**DCIT, Central Cir-1(4), Kolkata,**  
Aayakar Bhawan Poorva, 110,  
Shanti Pally, Kolkata - 700107 ..... **Appellant**

**vs.**

**Parvati Resources Pvt. Ltd.,**  
6A, Elgin Road, Bhowanipore,  
Kolkata - 700020  
[PAN: AACCP4827F] ..... **Respondent**

**Appearances by:**

Assessee represented by : Manish Tiwari, FCA

Department represented by : S.B. Chakraborty, Addl. CIT, Sr. DR

Date of concluding the hearing : 21.01.2026

Date of pronouncing the order : 17.02.2026

**ORDER**

**Per Rajesh Kumar, AM**

The present appeal filed by the revenue arises from order dated 16.07.2024 passed u/s 250 of the Income Tax Act, 1961 (hereafter referred to as “the Act”) by the Ld. Commissioner of Income Tax (Appeals), Kolkata-20 [hereafter referred to as “the Ld. CIT(A)].

2. At the outset, we observe from the appeal folder that the appeal of the assessee is barred by limitation by 298 days for which the condonation petition has been filed. After going through the contents of the application, we find that the delay is attributable to bonafide and genuine reasons and accordingly we are inclined to condone the delay and admit the appeal for adjudication.

3. The only issue raised by the revenue in the various grounds of appeal is against the order of Ld. CIT(A) deleting the addition of Rs. 1,85,00,000/- as made by the AO in respect of unsecured loan as unexplained cash credit u/s 68 of the Act.

4. The facts in brief are that the assessee filed return of income at loss of Rs. 4,51,398/- which was processed u/s 143(1) of the Act on 15.03.2014. The case was selected for scrutiny under CASS and notice u/s 143(2) and 142(1) of the Act along with questionnaire duly served upon the assessee. Accordingly, assessee replied the said notices and assessment u/s 143(3) was framed vide order dated 31.07.2014 accepting returned loss. Thereafter, the case of the assessee was reopened u/s 147 of the Act and the assessment order was framed u/s 143(3)/147 vide order dated 22.10.2019. Thereafter, again the case of the assessee was reopened u/s 147 of the Act by issuing notice u/s 148 of the Act on 29.03.2019. During the course of assessment proceeding, the AO noticed that the assessee has raised unsecured loan from shell company MCK PGE Infrastructure Pvt. Ltd. (new name Primarc Projects Realty Pvt. Ltd.) without having any business rationale. The AO noted that the assessee has not proved the identity, creditworthiness and genuineness of the transaction in respect of the said loan creditor M/s MCK PGE Infrastructure Pvt. Ltd. (new name Primarc Projects Realty Pvt. Ltd.). The AO issued notice u/s 131 of the Act on 03.10.2019 to the assessee requiring to produce the Director of the investor company to explain the source of funds. The AO noted that the assessee has failed to produce the director of the said lender company and finally treated the loan as unexplained cash credit and added to the income of the assessee. Similarly, one more addition was made of Rs. 3,38,57,600/- in respect of undisclosed income qua which the undisclosed TDS was Rs. 6,77,152/-. The assessee filed a petition u/s 264 of the Act against the assessment order dated 22.10.2019. The assessee is also filed petition u/s 264 before the PCIT which was dismissed. Thereafter, the assessee moved to Hon'ble Calcutta High Court against the order u/s 264

and as per the direction of the Hon'ble High Court dated 28.06.2021 proceeding were again initiated by the PCIT, Kolkata during that the assessee was allowed an opportunity of being heard to the assessee. Finally, the Ld. PCIT upheld the order of AO in respect of addition made of Rs. 1,85,00,000/- qua the assessee could not prove the identity and creditworthiness of the party and genuineness of the transaction.

5. In the appellate proceedings, the Ld.CIT(A) deleted the addition by holding that the assessee has proved all the three limbs of section 68 of the Act by proving the identity and creditworthiness of the lender as well as genuineness of the transaction. Beside the Ld. CIT(A) noted that the loan was taken from a a company having own sources and recorded a finding that the lender company has sufficient resources to lend money. The Ld. CIT(A) while deleting the addition relied on the decision of Hon'ble Gujarat High Court in the case of Rohini Builders 256 ITR 360. The Ld. CIT(A) noted in para 4.6 that the AO relied on the third-party information without giving any cross examination to the assessee and held that no addition can be made on the basis of information from third party by relying on the decision of Hon'ble Apex Court in the case of CIT Vs. Odeon Builders Pvt. Ltd. reported in (2019) 418 ITR 315.

6. After hearing the rival contentions and perusing the material available on record, we find that the assessee has borrowed money from the sister concern during the year amounting to Rs. 1,85,00,000/-. We note that the assessee and the lender group company has common directors. We note that all the details comprised name, address, PAN, confirmation, bank statement etc. were filed before both the authorities below. The AO has not been pointed out any defect or deficiency in the documents furnished by the assessee and recorded wrong finding that the assessee has taken money from shell company. On the other, the ld. CIT(A) correctly appreciated the facts on record and recorded a finding that the assessee had taken money from the group company who had sufficient resource and

were having common directors. The Ld. CIT(A) also noted that the AO relied on third party information without giving any cross examination. We also noted that loan taken by the assessee was reopened in the subsequent financial year in FY 2013-14. We also noted that the finding of AO was wrong that the assessee is non-functional company whereas from the copy of Profit & Loss Account we note that the assessee has total income at Rs. 65,17,985/- and total expenses of Rs. 40,06,615/-. The case of assessee is squarely covered by the decisions of the Hon'ble Calcutta High court in number of cases namely PCIT-2, Kolkata Vs. Rahul Premier India Agency Private Limited in ITAT/133/2025, IA No.GA/2/2025 vide order dated 05.08.2025, PCIT Vs. M/s Narayan Tradecom Pvt. Ltd. in ITAT/76/2025, IA No. GA/1/2025 dated 10.06.2025, PCIT Vs. Alom Extrusions Ltd. ITAT/268/2024, IA no. GA/1/2024, GA/2/2024 dated 17.12.2024, PCIT Vs. M/s Edmond Finvest Pvt. ltd., in ITAT/28/2024, GA/2/2024 dated 26.02.2024, PCIT Vs. Parwati Lakh Udyong, ITAT/2/2024, IA No.GA/1/2024 dated 19.02.2024. In all the above decisions the Hon'ble court has held that where the assessee has filed all the evidences qua the loan creditors before the ld. AO and loans are also repaid then the same cannot be added us/ 68 of the Act. Therefore, we do not find any reason to interfere to the finding of the Ld. CIT(A) who allowed the appeal of the assessee by passing a speaking and reasonable order. Consequently, we uphold the order of Ld. CIT(A) by dismissing the appeal of the revenue.

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

Order pronounced on 17.02.2026

Sd/-  
**(Pradip Kumar Choubey)**  
**Judicial Member**

Sd/-  
**(Rajesh Kumar)**  
**Accountant Member**

Dated:17.02.2026  
AK, Sr. P.S.

*Copy of the order forwarded to:*

1. Appellant
2. Respondent
3. Pr. CIT
4. CIT(A)
5. CIT(DR)

*//True copy//*

By order

Assistant Registrar, Kolkata Benches