

**INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH "C": NEW DELHI  
BEFORE SHRI I.C.SUDHIR, JUDICIAL MEMBER  
AND  
SHRI PRASHANT MAHARISHI, ACCOUNTANT MEMBER**

ITA No.4275/Del/2012  
(Assessment Year: 2008-09)

ITO,  
Ward-11(3), Room No.374A,  
C. R. Building, New Delhi

**(Appellant)**

I. C. Textiles Ltd,  
38E/252A, Vijay Tower,  
Vs. 2<sup>nd</sup> Floor, Shahpurjat, New Delhi  
PAN:AAACI2192N  
**(Respondent)**

Assessee by :  
Revenue by:  
Date of Hearing  
Date of pronouncement

Smt. Paramita M. Viswas, CIT DR  
Sh. O.P.Mody, Adv  
03/05/2016  
01/07/2016

**ORDER**

**PER PRASHANT MAHARISHI, A. M.**

1. This is appeal filed by the revenue against the order of the ld CIT (A)-XV, New Delhi dated 17/05/2012 for the Assessment Year 2008-09.
2. The revenue has raised the following grounds:-
  - “1 On the facts and circumstances of the case and in law, the ld CIT (A) has erred in deleting the additions ofRs.183060000/- made under the head unsecured loans.
  2. On the facts and circumstances of the case and in law, the ld CIT (A) has erred while ignoring the findings of the AO in the assessment order with respect to the identity, creditworthiness of creditors and genuineness of transactions.”
3. The brief facts are that the assessee is ltd company filed its return of income showing Nil income and during the course of assessment proceedings it was submitted in November 2007 the company has closed its business activities. Ld Assessing Officer was of the view that company has not filed a confirmation from its Korean promoters with respect to loan of Rs. 183060000/- and therefore, the same was added to the income of the

assessee. On appeal before the 1d CIT (A) this addition was deleted and therefore the revenue is in appeal before us.

4. Ld DR relied upon the order of the 1d Assessing Officer and reiterated the same reasons for which addition has been made by the Assessing Officer.
5. Ld AR submitted that there is no loan taken by the company during the year and as on 31.03.2008 the loan amount is outstanding of Rs. 2276.29 lakhs and as on 31.03.2007 it was Rs. 2497.14 lakhs. The difference is arisen because of fluctuation of exchange rate only and there is no loan and therefore they cannot be any addition during this year.
6. We have carefully considered the rival contention and also perused the reasons given by the 1d CIT (A) for deletion of the same. Vide para No. 10 of the order he has deleted the addition stating as under:

*“10. I have gone through the above submission of the appellant and have also considered the facts and evidences on record and have perused the AO’S order. The appellant’s plea is that they have not raised any loan, in fact the auditor’s note have wrongly been interpreted by the AO, rather fact of the matter is that on the loan raised by them from KDLC they have not been providing interest on year to year basis and the total amount of interest outstanding as on 31.03.2008, comes to Rs. 1830.60 crore. During the course of appellant proceedings the appellant also filed the following chart of “unprovided interest of KDLC account.”*

<i>Financial Year</i>	<i>Amount unprovided of interest</i>	<i>Unprovided interest during the year</i>	<i>amount unprovided of interest at the close of the year</i>
<i>1998-99</i>		<i>306.13</i>	<i>306.13</i>
<i>1999-00</i>	<i>306.13</i>	<i>377.22</i>	<i>683.35</i>
<i>2000-01</i>	<i>683.35</i>	<i>142.63</i>	<i>825.98</i>
<i>2001-02</i>	<i>1073.22</i>	<i>247.24</i>	<i>1073.22</i>
<i>2002-03</i>	<i>1139.32</i>	<i>66.10</i>	<i>1139.32</i>
<i>2003-04</i>	<i>1177.40</i>	<i>38.03</i>	<i>1177.40</i>
<i>2004-05</i>	<i>1400.73</i>	<i>223.33</i>	<i>1400.73</i>
<i>2005-06</i>	<i>1564.201</i>	<i>163.47</i>	<i>1564.21</i>
<i>2006-07</i>	<i>1564.21</i>	<i>204.42</i>	<i>1768.63</i>
<i>2007-08</i>	<i>1768.63</i>	<i>61.97</i>	<i>1830.60</i>

*From the perusal of the above chart, I hold that AO has wrongly appreciated the facts and no new loan has been raised. Hence the addition of Rs. 183060000/- deserves to be deleted.*

7. The ld CIT(A) has deleted the addition as no new loans have been raised during the year and it is a provision of unprovided interest accumulated up to Rs. 1830.60 lakhs from 1998-99 to 2007-08. No infirmity was shown to us by the ld DR in the order of the ld CIT (A) while deleting the addition. In view of this we confirm the finding of the ld CIT (A) in deleting the addition of Rs. 1830.60 lakhs. In the result both the grounds of appeal which are on the same issue are dismissed.
8. In the result the appeal of the revenue is dismissed.

**Order pronounced in the open court on 01/07/2016.**

**-Sd/-**

**(I.C.SUDHIR)**  
**JUDICIAL MEMBER**

**-Sd/-**

**(PRASHANT MAHARISHI)**  
**ACCOUNTANT MEMBER**

Dated: 01/07/2016  
A K Keot

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1. Applicant
2. Respondent
3. CIT
4. CIT (A)
5. DR:ITAT

ASSISTANT REGISTRAR  
ITAT, New Delhi