

IN THE INCOME TAX APPELLATE TRIBUNAL
AHMEDABAD "C" BENCH

**Before: Smt. Annapurna Gupta, Accountant Member
And Shri T.R. Senthil Kumar, Judicial Member**

**ITA No. 1644/Ahd/2025
Assessment Year. 2017-18**

Maruti Multichem Pvt. Ltd. C1/1212-1213, Phase IV GIDC Estate, B/h Gayatri Temple Naroda, Ahmedabad- 382330 PAN: AAFCM1508F (Appellant)	Vs	The DCIT, Circle-2(1)(1), Ahmedabad (Respondent)
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**Assessee Represented: Shri Tushar Hemani, Sr. Adv. &
Shri Kushal Fofaria, A.Rs.
Revenue Represented: Smt. Mamta Singh, Sr. D.R.**

Date of hearing : 06-11-2025
Date of pronouncement : 07-11-2025

आदेश/ORDER

PER : T.R. SENTHIL KUMAR, JUDICIAL MEMBER:-

This appeal is filed by the Assessee as against the appellate order dated 16.06.2025 passed by the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi, (in short referred to as "CIT(A)"), arising out of the reassessment order passed under section 147 of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') relating to the Assessment Year 2017-18.

2. Brief facts of the case is that the assessee is a Company filed its Return of Income for the Asst. Year 2017-18 on 16-10-2017 declaring total income of Rs. 1,79,06,740/-. The case was reopened on the basis that the assessee has received bogus loans and advances from M/s. Dishman Pharmaceuticals and Chemicals Ltd. (hereinafter referred as DPCL). In response, the assessee filed a return on 17-08-2021 which is belated and therefore treated as invalid return. Thus the Assessing Officer treated the loans and advances of Rs. 50 lakhs as unexplained credit u/s. 68 and taxed u/s. 115BBE of the Act and demanded tax thereon.

3. Aggrieved against the reassessment order, assessee filed an appeal before Ld. CIT(A). During the appellate proceedings, the assessee submitted that the loan of Rs.50 lakhs from M/s. DPCL were taken through banking channels, interest was paid to the lender with appropriate TDS through banking channel. The assessee furnished confirmation from the lenders, copy of the Balance Sheet of the lender as well as of the bank statement of the assessee company evidencing that the loans were received through banking channels and were repaid with interest by way of cheques and thus discharged the genuineness, creditworthiness of the transaction.

3.1. The assessee also relied upon Jurisdictional High Court judgment in the case of CIT Vs Ayachi Chandrashekhar Narsangji 42 taxmann.com 251, PCIT Vs. Ambe Tradecorp (P.) Ltd. 145 taxmann.com 27 and other High Court Judgments. The Ld. CIT(A) without considering the same and also without considering the

repayment of loans and documents submitted by the assessee confirmed the additions made by the assessing officer.

4. Aggrieved against the appellate order, the assessee is in appeal before us raising the following Grounds of Appeal:

1. *The Ld. CIT(A) has erred in law and on facts of the case in upholding reopening of assessment u/s. 147 of the Act which is bad in law and without jurisdiction.*

2. *The Ld. CIT(A) has erred in law and on facts in confirming impugned addition of unsecured loan of Rs.50,00,000/- from Dishman Carbogen Amcis Limited [DCAL] (formerly known as Dishman Pharma and Chemicals Limited) u/s 68 of the Act even after substantiating genuineness, creditworthiness and identity.*

3. *The Ld. CIT(A) has erred in law and on facts in not appreciating that entire unsecured loan has been repaid to DCAL during subsequent assessment year of 2019-20.*

4. *The learned CIT(A) has erred in law and on facts of the case in confirming invoking of provisions of Section 115BBE of the Act.*

5. *The Ld. CIT(A) and Ld. AO have erred in passing the order without providing the copy of documents and statement relied upon to make such impugned addition and not providing opportunity to cross-examine. Their action is in clear breach of law and Principles of Natural Justice and therefore deserves to be quashed.*

6. *The Ld. CIT(A) has erred in justifying the actions of the Ld. AO in issuing show-cause notice with a short response time of just two days. Their action is in clear breach of law and Principles of Natural Justice and therefore deserves to be quashed.*

7. *The Ld. CIT(A) and Ld. AO have passed the order without properly appreciating the facts and they further erred in grossly ignoring various submissions, explanations and information submitted by the appellant from time to time which ought to have been considered before passing the impugned order. Their action is in clear breach of law and Principles of Natural Justice and therefore deserves to be quashed.*

8. *The learned CIT(A) has erred in law and on facts of the case in confirming action of the Id. AO in levying interest u/s. 234A/B/C/D of the Act. The learned AO has erred in law and on facts in initiating penalty proceedings under Section 271(1)(c) of the Act.*

9. The appellant craves leave to add, amend, alter, edit, delete, modify or change all or any of the grounds of appeal at the time of or before the hearing of the appeal.

5. Ld. Sr. Counsel Shri Tushar Hemani appearing for the assessee submitted that the transaction with M/s. Dishman Carbogen Amcis Ltd. (formerly known as Dishman Pharmaceuticals and Chemicals Ltd.) is a genuine loan transaction where the amounts have been received through banking channels, interest was paid by the assessee on such loans with appropriate TDS and also deposited with the Government account. Further the entire loan has been repaid through banking channels, there is no allegation by the Revenue that the cash trail has been found by the lower authorities in the loan transaction with DPCL. Thus the identity, creditworthiness of DPCL and the genuineness of the transaction were clearly established by the assessee and fully discharged the primary onus cast upon it and now the onus shifts to the A.O. to do the contrary by placing on record corroborative evidences.

5.1. Ld. Sr. Counsel further submitted that the assessing officer has not issued any notice or summons u/s 133(6) to M/s. DPCL, therefore the addition is not sustainable in law, more particularly when the assessee has repaid the loans in subsequent year. Thus the addition made by the lower authorities are liable to be deleted.

6. Per contra Ld. Sr. D.R. appearing for the Revenue supported the orders passed by the lower authorities and requested to sustain the same.

7. We have given our thoughtful consideration and perused the materials available on record. At Page No. 101, ledger account clearly reflects the loan amount of Rs.13 lakhs and Rs. 37 lakhs received through banking channels by the assessee on 11-08-2016 and 12-08-2016 respectively. The assessee paid interest of Rs. 2,86,348/- as on 31st March 2017 with appropriate TDS of Rs. 28,635/-. The assessee also paid interest on the above loan of Rs. 4,50,000/- and TDS as on 31-03-2018 and thereafter the loan amount of Rs. 50,00,000/- repaid on 11-01-2019 and the contra confirmation DPCL is also found at Page No. 102 with bank statements which is available upto Page No. 108. Thus it is undisputed fact that the loan is repaid with interest and appropriate TDS in subsequent year.

8. The Jurisdictional High Court in the case of Ayachi Chandrashekhar Narsangji (cited supra) held that a department had accepted repayment of loan for subsequent year, no addition was to be made on account of cash credit. This view was confirmed in the subsequent judgment rendered by the Gujarat High Court in the case of M/s. Ambe Tradecorp (P.) Ltd (cited supra). The facts in the present case are identical and the entire loan is repaid by the assessee in the subsequent financial year with interest paid with appropriate TDS which is not doubted by the revenue authorities. Therefore the entire addition made by the A.O. is not sustainable in law.

9. Respectfully following the Jurisdictional High Court Judgments, we are of the considered opinion, the additions made by the lower

authorities are not sustainable in law. Therefore the additions are hereby deleted.

10. In the result, the appeal filed by the Assessee is hereby allowed.

Order pronounced in the open court on 07-11-2025

Sd/-
(ANNAPURNA GUPTA)
ACCOUNTANT MEMBER
Ahmedabad : Dated 07/11/2025

Sd/-
(T.R. SENTHIL KUMAR)
JUDICIAL MEMBER

आदेश की प्रतिलिपि अग्रेषित / Copy of Order Forwarded to:-

1. Assessee
2. Revenue
3. Concerned CIT
4. CIT (A)
5. DR, ITAT, Ahmedabad
6. Guard file.

By order/आदेश से,

उप/सहायक पंजीकार
आयकर अपीलीय अधिकरण,
अहमदाबाद