Pr. Commissioner of Income-tax-4, Delhi v. KRBL Infrastructure Ltd.

ITA 494/2024

2025:DHC:9908-DB | 2025-11-13

KRBL Infrastructure AY 2014–15: Rs.10 crore loan relief sustained on evidence and pre-amendment section 68 rule.

Income-tax Act, 1961: sections 68, 133(6), 153A, 143(3), 260A

High Court of Delhi | 2-judge bench (Division Bench) | Justice V. Kameswar Rao | Justice Vinod Kumar

Assessment years: 2014-15

Scope of this order

Assessee retained deletion of the Rs.10 crore loan addition and the related Shashi Foods interest relief. The note does not enlarge that relief to the separate Rs.84 lakh interest disallowance.

01 FACTS OF THE CASE

Revenue's admitted appeal concerned ITA 3963/Del/2019 for AY 2014–15, not the other appeal in the common ITAT order. The AO added a Rs.10 crore Shashi Foods loan and disallowed Rs.1,03,10,760 interest in aggregate. CIT(A) deleted the loan addition and Rs.19,10,760 Shashi Foods interest, leaving Rs.84 lakh concerning a different lender.

Source: PDF p. 3

02 DISCUSSION BY THE HON'BLE COURT

The Court accepted the combined evidence of lender identity, repeated confirmations, bank funds, documents and repayment with interest. Revenue did not establish lack of funds when the loan was advanced. After the initial section 68 burden was discharged, scrutiny of the lender's purchases was treated as source-of-source enquiry under the pre-amendment law. Later FY 2015–16 fund movements did not overturn the plausible findings for FY 2013–14.

Source: PDF p. 29

03 JUDICIAL DECISION

Both admitted substantial questions were answered for the assessee and Revenue's appeal was dismissed. On the Abhisar question, the Court noted the absence of an AO reference to incriminating material supporting the additions and independently upheld relief on merits.

Source: PDF p. 34

04 OUTCOME / IN WHOSE FAVOUR

Assessee retained deletion of the Rs.10 crore loan addition and the related Shashi Foods interest relief. The note does not enlarge that relief to the separate Rs.84 lakh interest disallowance.

Source: PDF p. 34

05 EXPERT COMMENTS

The initial burden still had to be discharged — The result rests on the evidentiary record and concurrent findings, not a universal proposition that a bank transfer alone proves every loan. The Court distinguished Revenue's authorities because identity, creditworthiness and genuineness had been established here.

Apply the correct statutory period — The Court expressly distinguishes AY 2014–15 from the later source-of-source amendment for unsecured loans. Its reasoning should not be transferred unchanged to a later year governed by the amended provision.

Separate the interest amounts and grounds — The opening substantial question refers to Rs.1,03,10,760, but the reproduced appellate order separates Rs.19,10,760 Shashi Foods interest from Rs.84 lakh on another lender. The merits ground also means this judgment should not be reduced to a blanket no-incriminating-material rule for every search assessment.

Preserve the inconsistent dates — The opening gives the ITAT date as 8 June 2024, while the narrative repeatedly says 8 June 2023. Search dates appear as 30 March and 13 March 2016. Those conflicts remain source ambiguities and are not resolved by guessing.

Source: PDF p. 34

SOURCE & VERIFICATION

High Court of Delhi official judgment PDF — AKHB Repository (20251113_DLHC010832722023.pdf)

34-page official High Court of Delhi order/judgment PDF (20251113_DLHC010832722023.pdf, 349,944 bytes).

Complete source text and every original page visually reviewed; identity and SHA-256 checked. AI-assisted source analysis.

Open cited source rendition

All 34 physical source pages read and visually inspected. SHA-256: 0811cbd25ae7c6935ccec0779a2e6c7840df116cb2a6ab286140d10e3586c2b4.

STATUTORY SCOPE

The section 68 ruling concerns an unsecured loan for AY 2014–15, before the Finance Act, 2022 source-of-source amendment discussed by the Court. The section 153A question was also answered, with an independent merits basis for the result.

LATER TREATMENT

Source checked 2026-10-21. Subsequent judicial treatment has not been independently verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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