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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ ITA 554/2016, C.M. APPL.27837-27838/2016

PR. COMMISSIONER OF INCOME TAX ..... Appellant
Through : Sh. Rahul Chaudhary, Sr. Standing Counsel.

versus

ISHWAR CHAND JINDAL ..... Respondent
Through : Sh. Sharad Agarwal and Ms. Sumangla, Saxena, Advocates.

CORAM:
HON'BLE MR. JUSTICE S. RAVINDRA BHAT
HON'BLE MR. JUSTICE NAJMI WAZIRI

O R D E R
% **19.12.2016**

The question of law sought to be urged in this appeal under Section 260A of the Income Tax Act, 1961 [hereafter "the Act"] is whether the Income Tax Appellate Tribunal (ITAT) acted correctly in holding that Section 2(22)(e) of the Act was inapplicable in the circumstances of the case.

We notice at the outset that there is a delay of 210 days in refiling of the present appeal. The delay has not been sufficiently explained. A general ground that there was work overload with the Revenue which prevented it from curing the defects, and other administrative and unusual circumstances and that files were transferred to the counsel upon reorganization, is not "sufficient cause".

As far as the question of law is concerned, the Court notices that the ITAT analysed the facts and based upon the material on record deduced firstly, that similar transactions were not treated as advances but were in respect of third parties and the explanation that they were trade credits were accepted.

The ITAT, therefore, was of the view that there was no loan to the assessee in the circumstances of the case. We are of the opinion that the plain text of Section 2(22)(e) does not authorise the treatment of the amounts as a loan to a shareholder since concededly the amounts were not received by the assessee, an individual.

This conclusion is supported by the decision of this Court in *CIT v. Ankitech (P). Ltd. & Ors.* 2012 (340) ITR 14. No substantial question of law arises. The appeal is accordingly dismissed.

S. RAVINDRA BHAT, J

NAJMI WAZIRI, J

DECEMBER 19, 2016
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