

## **Unsecured loan scrutinized during original assessment - No revision necessary**

**Summary – The High Court of Allahabad in a recent case of Meerut Roller Flour Mills (P.) Ltd, (the Assessee) held that Unsecured loan scrutinized during original assessment - No revision necessary.**

### **Facts**

- The assessee case was picked up for scrutiny and after complete verification, the AO passed assessment order under section 143(3).
- The Commissioner used his powers under section 263 and against the unsecured loans and creditors directed the AO to examine them properly and remanded the matter back to him.
- The Tribunal confirmed the revisional order passed by the Commissioner.
- On appeal:

### **Held**

- The Assessee objected to the position adopted by the Commissioner and before the HC stated that the AO had already applied his mind at the time of passing the assessment order and the order passed by Commissioner is erroneous.
- The HC held that the AO had indeed applied his mind and the Commissioner relying upon the reply and the documentary evidence submitted by the assessee granted partial relief and thus the order passed under section 263 relegating back the matter to the Assessing Officer as regards unsecured loans and creditors is unsustainable.
- The order passed by the Assessing Officer was neither erroneous nor prejudicial to the interest of the revenue.
- In view of aforesaid, impugned order passed by the Tribunal, and revisional order passed by the Commissioner under section 263 are set aside.