

**IN THE INCOME TAX APPELLATE TRIBUNAL,
DELHI BENCHES "F", NEW DELHI**

**BEFORE : SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER
AND
SMT. ANNAPURNA GUPTA, ACCOUNTANT MEMBER**

आयकर अपील सं./I.T.A. No. 6849/Del/2017

(निर्धारण वर्ष / Assessment Year : 2011-12)

Pradeep Kumar Jindal H-1/1A, Model Town-III, Behind ICICI Bank, New Delhi – 110009 (C/o. Vivek Aarushi & Associates, G-40, Nizamuddin West, New Delhi, Delhi-110013)	बनाम/ Vs.	ACIT Circle-20(1), New Delhi
स्थायी लेखा सं./जीआइआर सं./PAN/GIR No. : AAIPJ8526A		
(Appellant)	..	(Respondent)

अपीलार्थी ओर से /Appellant by :	None
प्रत्यर्थी की ओर से/Respondent by :	Shri Sunil Yadav, CIT.DR

Date of Hearing	26/03/2025
Date of Pronouncement	18/06/2025

ORDER

PER SMT. ANNAPURNA GUPTA, AM:

The present appeal has been filed by the assessee against the order passed by the Learned Commissioner of Income Tax (Appeals)-12, New Delhi [in short referred to as 'CIT(A)'], under Section 250 of the Income Tax Act, 1961, (hereinafter referred to as "the Act") dated 31.03.2016.

2. None appeared on behalf of the assessee. On the previous occasion when the appeal came up for hearing, i.e 13-12-2025, the assessee remained unrepresented and the Bench recorded the

fact that for the last three years, none was appearing on behalf of the assessee or applications seeking adjournment was filed through different Advocates and Chartered Accountants. Noting that it was an old appeal, the Bench granted one last opportunity of hearing and adjourned the matter to 26-03-2025, categorically noting that no further adjournment would be granted. Today, when the matter came up for hearing, again an application for seeking adjournment was filed. The same was rejected and the appeal proceeded to be heard with the assistance of Ld.DR and the material available on record.

3. The facts relating to the case, as is derived from the orders of the authorities below, is that the appellant had filed return declaring income of Rs.10,33,360/- comprising Income from Salary, Income from House Property and Income from Other Sources. Case was selected for scrutiny in view of huge cash deposits in bank account and low income from house property. Assessing Officer observed that there were huge cash deposits in various bank accounts of the assessee. And in the absence of any satisfactory explanation regarding the source of the same, the entire cash found deposited in various bank accounts of the assessee, amounting to Rs. 9,74,37,878/- was added to the income of the assessee u/s68 of the Act. The Assessing Officer further observed that the assessee had rental income of Rs.22,43,229/- against which deduction of Rs.12,89,113/- on account of housing loan interest paid was claimed. The Assessing Officer held the assessee ineligible to the said claim finding no loan taken against the property on which rental income was earned. Accordingly, the interest disallowed of Rs.12,89,113/- was added to the income

of the assessee. Further, the Assessing Officer disallowed expenses of Rs.50,027/- allegedly pertaining to exempt income of the assessee, u/s 14A of the Act read with Rule 8D of the Income Tax Rules, 1962.

4. Before the Ld. CIT(A), none appeared and the Ld. CIT(A), therefore, was constrained to confirm the order of the AO in the absence of any assistance by the assessee on the grounds raised against the additions made by the AO.

5. Aggrieved by the same, the assessee has come up in appeal before us challenging all the additions so confirmed by the Ld. CIT(A) raising the following grounds:

- “1. *That having regard to the facts and circumstances of the case, Ld. CIT(A) has erred in law and on facts in confirming the action of Ld. AO in making an aggregate addition of Rs.9,74,37,878/- on account of cash deposits in various bank account by treating it as alleged income of assessee u/s 68 and that too by recording incorrect facts and findings and without observing the principles of natural justice.*
2. *That in any case and in any view of the matter, action of Ld. CIT(A) in confirming the action of Ld. AO in making an aggregate addition of Rs.9,74,37,878/- on account of cash deposits u/s 68 is bad in law and against the facts and circumstances of the case.*
3. *That having regard to the facts and circumstances of the case, Ld. CIT(A) has erred in law and on facts in confirming the action of Ld. AO in not allowing the deduction of interest u/s 24b amounting to Rs. 12,89,113/-.*
4. *That having regard to the facts and circumstances of the case, Ld. CIT(A) has erred in law and on facts in confirming the action of Ld. AO in making disallowance of Rs.50,027/- u/s 14A of Income Tax Act, 1961.*
5. *That having regard to the facts and circumstances of the case, Ld. CIT(A) has erred in law and on facts in not quashing the impugned assessment order which was passed by Ld. AO and*

that too without providing adequate opportunity of hearing and without observing the principles of natural justice.

6. *That having regard to the facts and circumstances of the case, Ld. CIT(A) has erred in law and on facts in not reversing the action of Ld. AO in charging interest u/s 234A, 234B and 234C of the Income Tax Act, 1961.*
7. *That the appellant craves the leave to add, modify, amend or delete any of the grounds of appeal at the time of hearing and all the above grounds are without prejudice to each other."*

6. Even before us, none appeared on behalf of the assessee despite repeated notices being issued on the past several occasions when the matter came up for hearing. We, therefore, are left with no choice but to adjudicate the various issues based on the orders of the authorities below and the contentions of the Ld.DR before us.

7. With respect to the issue of additions made u/s.68 of the Act of Rs.9,74,37,878/-, challenged in ground No.1& 2 raised by the assessee before us, the Ld. CIT(A), we find, has noted that during the assessment proceedings the assessee did not discharge its onus of proving the genuineness of the cash deposits in its bank account by furnishing details like name, address, PAN of persons from whom he had received cash deposits, and even before the Ld. CIT(A) no evidence was filed. In the absence of any representation on behalf of the assessee, the findings of the authorities below remain unchallenged and uncontroverted. In view of the same, there is no recourse left with us but to confirm the findings of the Ld. CIT(A) that the assessee has failed to discharge his onus of proving source of cash deposited in his bank account. Accordingly, the order of the Ld.CIT(A) confirming the addition of Rs.9,74,37,878/- is upheld.

8. Ground of appeal Nos. 1 & 2 raised by the assessee are accordingly dismissed.

9. On the issue of disallowance of deduction of interest amounting to Rs.12,89,113/- u/s.24(b) of the Act, raised in ground No.3 before us, the assessee had claimed the impugned deduction as interest paid to Bank on housing loan, against the income from house property returned by it. The AO noted that the assessee had not taken any loan against the property on which the rental income was earned and accordingly, he disallowed the said interest claimed by the assessee. Before the Ld. CIT(A), the assessee was unable to dislodge the factual findings of the AO and even before us the same has remained undisturbed in the absence of any cooperation by the assessee in the appellate proceedings. In view of the same, we have no hesitation in upholding the order of the Ld. CIT(A) confirming the disallowance of claim of deduction u/s.24(b) of the Act of Rs.12,89,113/-.

10. Ground of appeal No.3 raised by the assessee is dismissed.

11. With respect to the issue of disallowance of expenditure u/s.14A of the Act amounting to Rs.50,027/-, raised in ground No.4 before us, the AO disallowed the said expenditure in relation to huge investment made by the assessee in shares noting that the same may yield exempt income and taking note of the CBDT Circular clarifying that even where no exempt income has been earned during the year disallowance u/s.14A of the Act, of expenses pertaining to the same, is to be made, he disallowed

expenses amounting to Rs. 50,027/-, which was confirmed by the Ld. CIT(A).

12. We are not in agreement with the Ld. CIT(A) on this issue. It is a fact on record that no exempt income was earned by the assessee during the impugned year. It is settled law that where no exempt income is earned, no disallowance u/s.14A of the Act is warranted. The Hon'ble Delhi court in the case of PCIT vs Oil Industry Development Board (2019) 103 taxmann.com 325(Del) held so, the SLP filed by the department against the same was dismissed by the Hon'ble apex court in PCIT vs Oil Industry Development Board (2019) 103 taxmann.com 326 (SC).

13. In view of the same, the disallowance made u/s.14A of the Act is directed to be deleted.

14. Ground of appeal No.4 is allowed.

15. In effect, the appeal of the assessee is partly allowed.

This Order pronounced on 18/06/2025
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Sd/-
(SATBEER SINGH GODARA)
JUDICIAL MEMBER

Sd/-
(ANNAPURNA GUPTA)
ACCOUNTANT MEMBER

Dated: 18.06.2025

S. K. SINHA

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asst. Registrar,
ITAT, Delhi