

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI “G” BENCH: NEW DELHI**

**BEFORE SHRI YOGESH KUMAR U.S, JUDICIAL MEMBER &  
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER**

**ITA No.2150/Del/2025  
[Assessment Year : 2018-19]**

Sanjeev Jai Narain Aeren, Aeren Estate, Mall Road, Opp. Pkt-3, Church Road, Vasant Kunj, South West Delhi, New Delhi-110070 <b>PAN-AAGPG8854J</b>	vs	ACIT, CC-16, NCC, DIT(S), Jahandewala Extn., Delhi-110055.
<b>APPELLANT</b>		<b>RESPONDENT</b>
<b>Appellant by</b>	Shri Rajeshwar Prasad Painuly, CA	
<b>Respondent by</b>	Shri Mahesh Kumar, CIT DR	
<b>Date of Hearing</b>	26.05.2025	
<b>Date of Pronouncement</b>	20.08.2025	

**ORDER**

**PER MANISH AGARWAL, AM :**

The present appeal is filed by the assessee against the order dated 13.03.2025 passed by Ld. Commissioner of Income Tax (A)-26, New Delhi [“Ld.CIT(A)”] in Appeal No.1-598/2017-18 u/s 250 of the Income Tax Act, 1961 [“the Act”] arising out of Assessment Order dt. 29.12.2022 passed by DCIT, Central Circle-16, New Delhi u/s 153C r.w.s. 143(3) of the Act for Assessment Year 2017-18.

2. Brief facts of the case are that the assessee is an individual and filed his return of income on 24.08.2018, declaring total income of INR 3,14,490/-. A search and seizure action u/s 132(1) was carried out by the Department on Rakesh Jain Group on 02.11.2017. During search at the residence and business premises of Shri Rakesh Jain and Shri Prahlad Kumar Aggarwal various

loose papers and documents were found and seized. It was found that these seized documents/data seized in the case of Rakesh Jain Group of assessee's, certain documents belonged to assessee, Shri Sanjeev Jai Narain Aeren were found and seized. The AO of Shri Rakesh Jain and Prahlad Kumar Agarwal from whose possession such documents were found and seized had recorded the satisfaction in terms of satisfaction note dated 13.07.2021 and sent the seized material alongwith satisfaction note to the AO of the assessee. Upon receipt of the same, the AO of the assessee who incidentally be the same AO as of the person searched, recorded his satisfaction in the case of the assessee and initiated the proceedings u/s 153C of the Act for AYrs. 2012-13 to 2018-19 in the case of the assessee. Thereafter, notice u/s 153C were issued in respect for various years. In response to the same, assessee filed his return of income and thereafter, the AO supplied the copies of the documents and asked the assessee to file replies and relevant details. The assessee had objected the initiation of proceedings u/s 153C of the Act and also filed various replies with respect to the papers and requested for the cross-examination of the witnesses of the Department i.e. Shri Rakesh Jain and other persons whose statements were relied upon by the Revenue. AO rejected the request of the assessee for cross-examination and after considering the submissions and the entries recorded in the loose papers, made the additions and the income of the assessee was assessed at INR 82,73,97,023/-.

3. Against this order, assessee preferred an appeal before Ld. CIT(A) who vide impugned order, dismissed the appeal of the

assessee thus, the assessee is in appeal before the Tribunal wherein following grounds of appeal are raised:-

1. *“The Hon'ble Commissioner of Income Tax (Appeal) - 26, Delhi has erred in confirming the action U/s153C of the Income Tax Act, 1961 disregarding the judgment of Hon'ble Supreme Court of India judgment in case of Pr. Commissioner Of Income Tax Vs. Abhisar Buildwell P. Ltd. [2023] 149 taxmann.com 399 which is squarely applicable in case of the Assessee. Since Unsigned, Unverified isolated computer-generated sheets as alleged found from the possession of 3rd Party can't be taken as Incrementing documents without any corroborative evidences. As settled in case of [2018] 100 taxmann.com 526 (SC) SUPREME COURT OF INDIA Commissioner of Income-tax-Central v. Sunita Dhadda, MARCH 28, 2018).*

*More its settled by Hon'ble Supreme Court in the case of common cause (a registered society) and others vs. Union of India and others, writ petition(civil) no. 505 of 2015(Sahara Dairy) and Hon'ble Karnataka High Court in the case of Deputy Commissioner of Income-tax v. Sunil Kumar Sharma, WRIT APPEAL NOS. 830 TO 834 OF 2022 (T-IT) JANUARY 22, 2024 that the note books and file containing loose sheets of papers not in the form of "Books of Accounts" and has held that such entries in loose papers/sheets are irrelevant and not admissible under Section 34 of the Evidence Act. Hence, Assessment order under section 153C of the Income Tax Act, 1961 is without jurisdiction.*

2. *The judgement of Hon'ble Supreme Court of India judgment in case of Deputy Commissioner of Income-tax v. Sunil Kumar Sharma [2024] 168 taxmann.com 77 (SC) which is squarely applicable in case of the Assessee that satisfaction note is required to be recorded under section 153C for each assessment year and where a consolidated "Satisfaction Note" had been recorded for different assessment years. More, Satisfaction Note is not properly documented.*
3. *The Hon'ble Commissioner of Income Tax (Appeal) - 26, Delhi has failed to appreciate that the legal presumption U/s 132(4A) read with 292C of Income Tax Act 1961 is applicable only to the party on whose possession the alleged loose paper/rough sheet/statement etc. were found and heavily relied upon the Ld. A.O.*
4. *The Appellant was not been allowed cross examination of person and documents on whose statement Ld. AO has heavily relieved upon and statement recorded on back of the Appellant.*

5. *The Hon'ble Commissioner of Income Tax (Appeal) - 26, Delhi has failed have remand report and specific reconciliation of figures of documents, and computer-generated loose sheet more how it can be called books of account without any corroborative Evidence or trails of cash paid/received.*
6. *The Hon'ble Commissioner of Income Tax (Appeal) - 26, Delhi has not followed the law of natural justice while confirming additions and that the impugned Appeal Order is bad in law, illegal and in violation of rudimentary principal of contemporary jurisprudence.*
7. *The Hon'ble Commissioner of Income Tax (Appeal) 26, Delhi has done gross miscarriage of law and facts by not deleting the addition of Rs. 20,07,50,000/- no specific section mentioned and simply stating that there is no discussion on the addition by Ld. A.O so it may be re-examined by the Ld. AO.*
8. *The Hon'ble Commissioner of Income Tax (Appeal) -26, Delhi has erred in law and on facts by confirming the addition of Rs. 49,04,40,851/- as unexplained money U/s 69A of the Income Tax Act, 1961 without any corroborative Evidence or trails of cash paid/received.*
9. *The Hon'ble Commissioner of Income Tax (Appeal) -26, Delhi has erred in law and on facts by confirming the addition of Rs. 1,20,00,000/- as unexplained money u/s 69A of the Income Tax Act, 1961 without any corroborative Evidence or trails of cash paid/received.*
10. *The Hon'ble Commissioner of Income Tax (Appeal) -26, Delhi has erred in law and on facts by confirming the addition of Rs. Rs. 12,38,91,682/- as unexplained money u/s 69A of the Income Tax Act, 1961 without any corroborative Evidence or trails of cash paid/received.*
11. *That the Hon'ble Commissioner of Income Tax (Appeal) -26, Delhi has erred in confirming the action with regard that the Ld Assessing Officer has failed to pass speaking and reasoned assessment order, as he has not dealt with all facts on record and its prima facie and confirm the Additions with predetermined mind on his own whims and fancy even not disposed off our Additional Ground No. 13 which makes whole order u/s 250 is arbitrary.*
12. *That the appellant craves leave to add/alter any/all grounds of appeal before or at the time of hearing of the appeal.”*

4. Before dwelling upon various grounds of appeal taken by the assessee, it is seen that in **Ground of appeal No.11** the assessee has challenged the appellate order on the ground that the same is non-speaking and non-reasoned order where the Id. CIT(A) has confirmed the additions with pre-determined mind on whims and fancies and not disposed off the additional ground of appeal No. 13 taken by the assessee. This being legal ground, thus is taken first for consideration.

5. Heard the contentions of both the parties and perused the material available on record. From the perusal of the assessment order as well as appellate order, we find that the AO made various additions which include addition of INR 20,07,50,000/- in terms of para 6 of the assessment order. However, when we go through para 6 of the assessment order, it is found that it contained discussion on cash loans to Rakesh Jain which are treated as unexplained money u/s 69A of the Act based on the loose papers found during the course of search listed as under:-

<i>Sl.No.</i>	<i>Page No.</i>	<i>Annexure</i>	<i>Place at which found</i>
1.	13	A-3	U-7, Green park Extension, New Delhi
2.	14	A-3	U-7, Green park Extension, New Delhi
3.	20	A-3	U-7, Green park Extension, New Delhi
4.	23	A-3	U-7, Green park Extension, New Delhi
5.	27	A-3	U-7, Green park Extension, New Delhi
6.	29	A-3	U-7, Green park Extension, New Delhi
7.	50	A-14	S-22, Green Park Extension, New Delhi
8.	51	A-14	S-22, Green Park Extension, New Delhi
9.	53	A-14	S-22, Green Park Extension, New Delhi
10.	95	A-14	S-22, Green Park Extension, New Delhi
11.	2	A-2	S-22, Green Park Extension, New Delhi
12.	5	A-2	S-22, Green Park Extension, New Delhi
13.	6	A-2	S-22, Green Park Extension, New Delhi
14.	7	A-2	S-22, Green Park Extension, New Delhi
15.	8	A-2	S-22, Green Park Extension, New Delhi
16.	9	A-2	S-22, Green Park Extension, New Delhi

6. In para 6.2, AO has made analysis of these papers and in para 6.3 to 6.5 had discussed nature of entry and reply of the assessee and finally, addition was made in para 6.7 of the order. Likewise in para 7 of the order, AO discussed the issue of unaccounted interest payment and made the additions in terms of para 7.3 at INR 12,38,91,682/-. In para 8 of the order, AO discussed the addition of unexplained money u/s 69A and in terms of para 8.7, additions of INR 49,04,40.851/- were made.

7. Prior to that AO has discussed the facts of the case, the documents found and issue of cross-examination raised by the assessee.

8. However, from the computation of income in para 9 at page 68 of the order, it is seen that besides the above 3 additions discussed in para 6, 7 & 8, the AO had made an addition of INR 20,07,50,000/- in the hands of the assessee wherein he referred the discussion in para 6 of the order however, as observed above, para 6 relates to addition of INR 1.20 crores which is referred in the computation as para 7.

9. Before Ld. CIT(A) when the assessee raised this issue and made the details submission on each of the issues relating to the additions made, Ld. CIT(A) in its order at page No. 1 to 67 reproduced the assessee's submissions, and thereafter, from in page No. 68 to 71 of the appellate order, the additional ground of appeal taken by the assessee wherein the assessee placed reliance on the judgement of Hon'ble Supreme Court in the case of ***Pr.CIT vs Abhisar Buildwell P.Ltd. [2023] 149 taxmann.com 399 (SC)*** is

reproduced. Thereafter, upto page 83, Ld. CIT(A) decided the legal grounds taken by the assessee including the additional grounds and issue of opportunity of cross examination and dismissed the same. From pages No. 83 onwards, Ld.CIT(A) has made analysis of the seized documents and thereafter, at page No. 88 to 89 summarily confirmed the additions made by the AO. It is further seen that in para 5.3 of the appellate order at page 88, Ld.CIT(A) directed the AO to verify about the addition of INR 20,07,50,000/- for which no discussion was made in the assessment order.

10. Thus, from the perusal of the order of Ld.CIT(A), it appears that Ld.CIT(A) has simply reproduced the assessment order and the submissions of the assessee and dismissed the appeal of the assessee without making observation on the merits of the issues raised by the assessee in the submission made. In Ground No.11, the assessee raised this very issue.

11. In view of the above facts and discussion made wherein we described the manner of passing the appellate order by ld. CIT(A) from which it could be seen that Ld.CIT(A) has confirmed the additions made without applying his mind on the issues raised by the assessee though detailed submissions made. Therefore, in the interest of justice, we set aside the order of Ld.CIT(A) and remand the same to his file with the directions to decide each and every ground of appeal by a speaking order after providing a reasonable opportunity of being heard to the assessee. Ground of appeal No.11 of the assessee is partly allowed for statistical purposes.

12. Since we have partly allowed the Ground of appeal No.11 taken by the assessee wherein we remand to the Ld. CIT(A) for passing a speaking order therefore, the other grounds of appeal taken by the assessee are not adjudicated.

13. In the result, the appeal of the assessee is partly allowed.

Order pronounced in the open Court on 20.08.2025.

**Sd/-**

**(YOGESH KUMAR U.S)**  
**JUDICIAL MEMBER**

**Dated : 20.08.2025**

*\*Amit Kumar, Sr.P.S\**

Copy forwarded to:

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4. CIT(Appeals)
5. DR: ITAT
6. Guard File

**Sd/-**

**(MANISH AGARWAL)**  
**ACCOUNTANT MEMBER**

ASSISTANT REGISTRAR  
ITAT, NEW DELHI