

**INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH "SMC": NEW DELHI
BEFORE SHRI M. BALAGANESH, ACCOUNTANT MEMBER**

ITA No. 4018/Del/2025

(Assessment Year: 2017-18)

Praveen Kumar Aggarwal, 101, Arjun Nagar, New Delhi	Vs.	ITO, Ward-29(4), Delhi
PAN: ADOPA9261C		

Assessee by :	Shri Neeraj Mangla, CA
Revenue by:	Shri Manoj Kumar, Sr. DR
Date of Hearing	11/08/2025
Date of pronouncement	27/08/2025

ORDER

1. The appeal in ITA No.4018/Del/2025 for AY 2017-18 arises out of the order of the Id. National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as 'Id. NFAC', in short] in Appeal No. ITBA/NFAC/S/250/2024-25/1073106024(1) dated 11.02.2025 against the order of assessment passed u/s 144 of the Income-tax Act, 1961 dated 19.12.2019 (hereinafter referred to as 'the Act') by ITO, Ward-29(4), Delhi (hereinafter referred to as 'Id. AO').

2. At the outset, I find that there is a delay in filing of appeal by the assessee by 51 days before me. Considering the reasons adduced in the condonation petition supported with an affidavit placed on record, I am inclined to condone the delay and admit the appeal of the assessee for adjudication.

3. The only issue to be decided on merits in this appeal is as to whether the learned CITA was justified in confirming the addition made on account

of deposits made in the bank account in the facts and circumstances of the instant case.

4. I have heard the rival submissions and perused the materials available on record. The Learned AO noted that assessee had made cash deposit of Rs 14,73,000/- during the demonetization period in his bank account. The total credits in the Indian Bank account was Rs 21,60,259/- . The Learned AO issued notice under section 142(1) of the Act calling the assessee for the return of income which stood uncomplied with. Further, the Learned AO issued notice under section 142(1) of the Act asking the assessee to explain the source of deposits in the bank account which also stood uncomplied. Accordingly, the notice was under section 133(6) of the Act was issued by the Learned AO to the Branch Manager, Indian Bank, Safdarjung Enclave, New Delhi. The bank statements were procured from the bank wherein it was found that total deposits in the said bank account was Rs 21,60,259/-, out of which cash deposited during demonetization period was Rs 14,73,000/-. A final show-cause notice dated 13-12-2019 was issued by the Learned AO to the assessee. The assessee did not avail the said show-cause notice and did not file any reply therein. Accordingly, the Learned AO proceeded to add the entire credits in the bank account in the sum of Rs 21,60,259/- as unexplained money under section 69A read with section 115BBE of the Act and completed the assessment under section 144 of the Act on 19-12-2019.

5. Before the Learned NFAC, the assessee submitted that he had taken a loan against property for his daughter's marriage from Magma Fin Corp on 10-09-2015 in the sum of Rs. 24,08,233/-. Out of that, he withdrew cash of Rs. 23,60,000/- for expenses for marriage. Unfortunately, the marriage kept on postponing due to some personal issues between two families. In the meanwhile, demonetization was announced by the Government of India.

Hence, the assessee deposited the cash back in the bank account to the tune of Rs 14,73,000/-. The total cash deposit made in the bank account was Rs. 4,87,000/- prior to demonetization and during demonetization period a sum of Rs. 14,73,000/- was deposited in the bank account. Rs. 1,95,500 was also deposited during the year belonging to the family to repay the installments taken for loan. The Learned NFAC, however, did not heed to the contentions of the assessee and sustained the addition of Rs. 14,73,000 being the cash deposited during demonetization period as unexplained money under Section 69A read with Section 115BBE of the Act. Further, the Learned NFAC confirmed the addition of Rs. 1,95,500/- on account of cash deposits made in the bank account for repayment of installments taken for loan. The Learned NFAC did not give any finding with regard to the other cash deposit of Rs. 4,87,000/- made prior to the demonetization period. With these observations, the Learned NFAC dismissed the appeal of the assessee.

6. The Learned AR prayed for one more effective opportunity to be given before the Learned NFAC for effective representation of the case. He submitted that the assessment was framed ex parte under section 144 of the Act because at that point in time, the divorce proceedings of the daughter were on and hence, the assessee as well as his wife Smt Jyoti Singla were totally disturbed. Accordingly, the income tax proceedings could not be concentrated upon. He made a statement from the Bar that the marriage of assessee's daughter took place was on 18th April 2017 (after the demonetization period). Later on the marriage got dissolved because of the divorce granted on 18th January 2025 and copy of the same served on 9th April 2025. He submitted that it is a fact that assessee had indeed borrowed a loan against his property in the sum of Rs. 24,08,233/- from Magma Fin Corp for the purpose of the marriage of his daughter on 11-09-2015. That money was lying with the assessee as a cash source and the

same was deposited time and again in the bank account. He prayed for one last opportunity to be given to the assessee because of the disturbed circumstances and to appreciate the entire facts. No serious objection was raised by the Learned D.R. in this regard for restoration of the appeal to the file of Learned NFAC. Accordingly, I deem it fit and appropriate to restore this issue to the file of Learned NFAC for de novo adjudication of the entire dispute in accordance with law. Needless to mention that the assessee be given reasonable opportunity of being heard. The assessee is at liberty to raise fresh grounds, if any, and furnish fresh evidences, if any, in support of his contentions. The assessee is directed to cooperate with the Learned NFAC for expeditious disposal of the appeal by not taking unwarranted adjournments except due to exceptional or bona fide circumstances. With these observations, the grounds raised by the assessee are allowed for statistical purposes.

7. In the result, the appeal of the assessee is allowed for statistical purposes.

Order pronounced in the open court on 27/08/2025.

-Sd/-
(M. BALAGANESH)
ACCOUNTANT MEMBER

Dated: 27/08/2025
A K Keot

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1. Applicant
2. Respondent
3. CIT
4. CIT (A)
5. DR:ITAT

ASSISTANT REGISTRAR
ITAT, New Delhi