



आयकर अपीलीय अधिकरण 'ए' न्यायपीठ, लखनऊ।

**IN THE INCOME TAX APPELLATE TRIBUNAL  
LUCKNOW BENCH "A", LUCKNOW**

श्री कुल भारत, उपाध्यक्ष एवं श्री अनादी नाथ मिश्रा, लेखा सदस्य के समछ  
**BEFORE SHRI KUL BHARAT, VICE PRESIDENT AND  
SHRI ANADEE NATH MISSHRA, ACCOUNTANT MEMBER**

आयकर अपील सं/ ITA No.158/LKW/2024  
निर्धारण वर्ष/ Assessment Year: 2021-22

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| <b>Jyoti Gyanchandani</b><br>103-B Dada Nagar, Kanpur-<br>208013. | v. | <b>Income Tax Office Ward-<br/>1(2)(1)</b><br>Kanpur-208001. |
| <b>PAN: BKYPG5656D</b>  |    |  |
| अपीलार्थी/(Appellant)   |    | प्रत्यर्थी/(Respondent)                                      |

|  |                                 |    |      |
|--|---------------------------------|----|------|
| अपीलार्थी कि और से/Appellant by:       | Shri Abhinav Mehrotra, Advocate |    |      |
| प्रत्यर्थी कि और से /Respondent by:    | Shri Amit Kumar, Addl. CIT(DR)  |    |      |
| सुनवाई कि तारीख / Date of hearing:     | 16                              | 12 | 2025 |
| घोषणा कि तारीख/ Date of pronouncement: | 08                              | 01 | 2026 |

**आदेश / O R D E R**

**PER KUL BHARAT, VICE PRESIDENT.:**

This appeal, by the assessee, is directed against the order of the National Faceless Appeal Centre (NFAC), Delhi dated 20.01.2024, pertaining to the assessment year 2021-22. The assessee has raised the following grounds of appeal: -

"1. BECAUSE, on the facts and in the circumstances of the case, the Ld. Commissioner of Income Tax (Appeals) NFAC is illegal, bad in law and liable to be set-aside and quashed.

2. BECAUSE, on the facts and in the circumstances of the case, the Ld. Commissioner of Income Tax (Appeals) has erred in confirming an addition of Rs. 31,50,000/- on account of unsecured loan without appreciating the fact that the assessee has duly substantiated that the transaction is genuine and bonafide by filing necessary evidences.

3. BECAUSE, on the facts and in the circumstances of the case, the Ld. Commissioner of Income Tax (Appeals) has erred in confirming an addition U/s 68 of Income Tax Act for a sum of Rs. 24,75,750/- without



appreciating the fact that the assessee has duly substantiated that the transaction is genuine and bonafide by filing necessary evidences.

4. BECAUSE, on the facts and in the circumstances of the case, the Ld. Commissioner of Income Tax (Appeals) has erred in confirming an addition U/s 40(a)(ia) for a sum of Rs.1,05,300/- is without appreciating the true and correct facts of the case.

5. BECAUSE, on the facts and in the circumstances of the case, the Ld. Commissioner of Income Tax (Appeals) has erred in failing to appreciate that the impugned order of assessment is itself bad in law, being barred by limitation and therefore liable to be set-aside and quashed.

6. BECAUSE, on the facts and in the circumstances of the case, the Ld. Commissioner of Income Tax (Appeals) has erred in law in failing to appreciate that the impugned order of assessment was itself illegal and bad in law as the jurisdictional notice u/s 143(2) of the Income Tax Act has not been issued by the competent officer and in any case the notice U/s 143(2) of the Act is itself time barred rendering the order of assessment bad in law and liable to be quashed.

7. Because, on the facts and in the circumstances of the case, the CIT(A) has passed the order without providing the assessee with a due and proper opportunity of hearing and it observes that reply filed by appellant has not been considered by the Ld. Commissioner of Income Tax (Appeals), therefore, the impugned order deserves to be set-aside being bad in law.

8. The humble assessee, craves for leave to add/amend any other ground with the prior permission of the Hon'ble Tribunal."

2. The facts giving rise to the present appeal are that the case of the assessee was selected for scrutiny assessment. After issuing the statutory notices to the assessee, the Assessing Officer ("AO", for short) proceeded to frame the assessment. In the course of the assessment proceedings, the AO made a disallowance of interest on borrowed capital in respect of house property amounting to Rs.18,858/-. The AO further made an addition of Rs.31,50,000/- by invoking the provisions of Section 68 of the Income-tax Act, 1961 ("Act", for short) on account of unexplained unsecured loans and also disallowed a sum of Rs.1,05,300/- u/s 40(a)(ia) of the Act. Further, an addition of Rs.24,75,750/- was made on account of unexplained creditors by invoking the provisions of Section 68 of the Act. The AO also disallowed tour and travel expenses amounting to Rs.1,67,233/-



and vehicle expenses of Rs.88,849/- . Consequently, after making the aforesaid additions and disallowances, the AO assessed the total income of the assessee at Rs.1,88,66,880/- . The assessee carried the matter in appeal before the Ld. CIT(A) who sustained the addition and dismissed the appeal of the assessee. Now, the assessee is in appeal before this Tribunal.

3. Apropos the grounds of appeal, the Ld. Counsel for the assessee, at the outset, contended that the assessee has filed an application under Rule 29 of the Income-tax (Appellate Tribunal) Rules, 1962 ("Rules", for short), seeking admission of additional evidence which could not be filed before the lower authorities due to lack of sufficient opportunity afforded to the assessee. He further contended that the matter may be restored to the file of the Assessing Officer for the limited purpose of verifying the additional evidence. He further submitted that the additional evidence sought to be placed on record is relevant and goes to the root of the matter. He further submitted that, insofar as the loan transactions and other related transactions are concerned, the same are duly supported by documentary evidence. He took us through the orders of the lower authorities to buttress his contention that had adequate opportunity been afforded to the assessee, the assessee could have duly substantiated his case

4. On the other hand, the Ld. Departmental Representative (DR) for the Revenue opposed the submissions and supported the orders of the lower authorities.

5. Heard the Ld. Representatives of the parties and perused the materials available on records. It is seen from the evidence filed by the assessee that an affidavit is also filed under Rule 29



of the Rules. The assessee has placed on record various documents along with the said affidavit, which *prima facie* established that the assessee had obtained the loan from her husband's colleagues. They have also admitted the fact of advancing the loans to the assessee and have undertaken to appear before the authorities for affirming the same, if so required. It is further stated that the entire loan transactions were carried out through banking channels. Looking to the totality of facts and evidence so furnished, we are of the considered view that the additional evidence goes to the very root of the matter regarding the loan amounts received by the assessee. It is an undisputed fact that these amounts have been added to the income of the assessee. Therefore, in order to subserve the interests of principles of natural justice, and to be fair with both the parties, we hereby set aside the impugned order and restore the assessment to the file of the Assessing Officer to frame the assessment afresh after due verification of the evidence filed by the assessee, in accordance with law, after providing reasonable opportunity of being heard to the assessee. All the grounds raised in this appeal are allowed for statistical purposes.

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

Order pronounced in the open Court on 08/01/2026.

Sd/-

[अनादी नाथ मिश्रा]

[ANADEE NATH MISSHRA]

लेखा सदस्य/ACCOUNTANT MEMBER

दिनांक/DATED: 08/01/2026

Vijay Pal Singh, (Sr. PS)

Sd/-

[कुल भारत]

[KUL BHARAT]

उपाध्यक्ष/VICE PRESIDENT



Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. DR
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