

**IN THE INCOME TAX APPELLATE TRIBUNAL
“C” BENCH, DELHI**

**BEFORE SHRI ANUBHAV SHARMA, JUDICIAL MEMBER &
SHRI AMITABH SHUKLA, ACCOUNTANT MEMBER**

**ITA Nos.1311 & 1312/Del/2025
(Assessment Years:2017-18)**

Mohd Javed, 736, Gali Fazal Pura, Suiwalan, Daryaganj, New Delhi – 110002	Vs.	ITO, Ward 48(1) Civic Centre, New Delhi – 110002
स्थायीलेखासं./जीआइआरसं./PAN/GIR No: AGPPJ7753C		
Appellant	..	Respondent

Appellant by :	Sh. G.S. Kohli, CA
Respondent by :	Sh. Om Prakash, Sr. DR

Date of Hearing	11.12.2025
Date of Pronouncement	09.01.2026

ORDER

PER ANUBHAV SHARMA, JM:

Both the appeals are preferred by the assessee against the different order dated 29.01.2025 & 13.02.2025 of the Ld. National Faceless Appeal Centre (NFAC) Delhi (hereinafter referred as Ld. First Appellate Authority or in short Ld. ‘FAA’) in DIN & Order Nos: ITBA/NFAC/S/250/2024-

25/1072683493(1)/ ITBA/NFAC/S/250/2024 -25/1073216938(1) arising out of the different penalty order dated 11.06.2021 & 14.06.2021 u/s 272A(1)(d)/271A of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') passed by the NFAC, Delhi for AY: 2017-18.

2. Heard and perused the records. It was pointed out by Id. Counsel for the assessee that in assessee's case for present AY: 2017-18 vide ITA No. 1430/Del/2025 order dated 27.05.2025 the quantum appeal of the assessee has been disposed of whereby the cash deposits of the assessee were found to be out of business turnover though a lumpsum addition of Rs.4,50,000/- was made by the Coordinate Bench.

3. Then vide ITA No. 916/Del/2022 of Coordinate Bench order dated 03.03.2023 has quashed the penalty u/s 271B of the Act on the premises that the cash deposit of Rs.4.3 Cr in the bank account and the sale turnover of Rs.4.01 lakhs in ITR revenue led to penalty u/s 271B of the Act, but assessee was found to be a commission agent and earning margins as prescribed by the Gujarat Milk Cooperative Federation making the levy of penalty not sustainable in law.

4. The Penalties were imposed in the background of allegation that the assessee was unable to explain the source of deposits amounting to Rs.43,57,600/- in its bank account. The subsequent decisions in favour of the assessee sufficiently taken into consideration the explanation which has found to be satisfactory for the purpose of Section 69A and that also negates the contention of Assessing Officer. In the light of the aforesaid the ground raised in both the appeals are sustained. Both the appeals are allowed and impugned penalty orders are quashed.

Order pronounced in the open court on 09.01.2026

Sd/-
(Amitabh Shukla)
ACCOUNTANT MEMBER

Sd/-
(Anubhav Sharma)
JUDICIAL MEMBER

Dated 09.01.2026

Rohit, Sr. PS

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR
ITAT NEW DELHI