

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH 'A', NEW DELHI**

**BEFORE SHRI MAHAVIR SINGH, HON'BLE VICE PRESIDENT  
&  
MRS. RENU JAUHRI, HON'BLE ACCOUNTANT MEMBER**

**ITA No. 6370/DEL/2025; Assessment Year: 2018-19**

<b>Sh. Surinder Kumar Malhotra</b> 2-G Ram Nagar Pahar Ganj New Delhi- 110055	Vs	<b>NFAC</b>
(APPELLANT)		(RESPONDENT)
PAN No. AAAPM5075F		

Assessee by : Sh. Sombir Singh, CA

Revenue/Department by : Shri Ajay Kumar Arora, Sr. DR

Date of Hearing: 20.01.2026	Date of Pronouncement: 20.01.2026
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**ORDER**

**PER RENU JAUHRI :**

1. The above captioned appeal is filed by assessee is preferred against the orders of Ld. CIT(A)/NFAC, New Delhi passed u/s 250 of the Income Tax Act, 1961 (hereinafter referred to as, "Act") dated 27.02.2025 in Appeal No. NFAC/2017-18/10224558.
2. At the threshold it is noted that the appeal is time-barred by 161 days. The Assessee has submitted an affidavit in support of the condonation of delay. It has been stated in the affidavit that the assessee, a senior citizen was unwell since February, 2025 due to which he could not file the appeal in time. Medical prescription and reports have also been attached with the affidavit. After hearing both the parties and considering the reasons

explained, we are of the view that the delay was on account of reasonable cause and hence, the same is hereby condoned.

3. The assessee has raised the following grounds of appeal:

- “1. That under the facts and circumstances of the case, the impugned order dated 27-02-2025, passed by National Faceless Appeal Centre (NFAC). Delhi issued as per DIN & Order No. ITBA/NFAC/S/250/2024-25/1073768830(1) passed u/s 250 of the Income Tax Act, 1961 ("the Act") vide which the appeal of the assessee filed before it on 21-03-2023 against the order dated 20-02-2023 passed by National Faceless Assessment Center, Delhi has been dismissed without passing any speaking order.
2. That under the facts and circumstances of the case NFAC has erred in fact and in law in dismissing appeal filed by the assessee on the ground that the assessee is not effectively perusing his appeal and has failed to respond to various notices and has wrongly placed reliance on the decisions which are not applicable to the powers of deciding appeal by NFAC. The authority of NFAC lacks such power.
3. That under the facts and circumstances of the case, NFAC has erred in law as much as in fact by upholding the addition of Rs. 1,35,73,593 on account of aggregate payments made through various credit cards (HSBC Bank -Rs. 29,85,706/-, Citibank Rs. 30,51,793/-, IndusInd Bank Ltd Rs. Rs. 58,05,794.-), without 17,30,300/-, and Kotak Mahindra Bank Ltd. mentioning or invoking any specific section of the Income-tax Act, 1961. thereby rendering the addition vague, unlawful, and bad in law.

*Without prejudice, the appellant submits that*

- (i) *All payments were made through banking channels and were duly reflected in the bank statements.*
- (ii) *The Assessing Officer failed to establish that the said payments represent unexplained or unrecorded expenditure or investment.*
- (iii) *No satisfaction was recorded nor any specific provision of section 68, 69, 69A, or 690 was referred to in the assessment order.*

- (iv) *The addition has thus been made in complete violation of the settled principles of law and without identifying the precise head of income.*

*It is therefore prayed that the impugned addition be deleted in full.*

4. *That under the facts and circumstances of the case, NFAC has erred in law as much as in fact by upholding the addition of Rs. 19,77,357/- in respect of sale of equity shares on recognized stock exchanges (NSE & BSE) without mentioning or invoking any specific section of the Act under which such addition was made, thereby making the addition legally unsustainable.*

*Without prejudice, the appellant submits that -*

- (i) *All share sale transactions were carried out through recognized stock exchanges (NSE & BSE), through registered brokers, and duly subjected to Securities Transaction Tax (STT).*
- (ii) *The transactions were genuine, verifiable through contract notes, demat account, and bank statements.*
- (iii) *The sale proceeds after deducting the cost of acquisition were eligible to be treated as Capital Gains, taxable under the head "Capital Gains" and not under "Income from Other Sources" or "Unexplained Income."*
- (iv) *The Assessing Officer failed to specify the nature of addition (whether under section 68, 69, or 69C), which renders the assessment order invalid, vague, and non est in law.*

*The addition made deserves to be deleted.*

5. *That under the facts and circumstances of the case, Ld. NFAC has erred in law as much as in fact in not cancelling interest under section 234A, 234B and 234C of the Act.*
6. *That under the facts and circumstances of the case, Ld. NFAC has erred in law as much as in fact in not cancelling the initiation of penalty u/s 270A of the Act.*
7. *That appellant craves to leave, alter, amend or modify the grounds of appeal before or during the hearing of the appeal.*

8. *That each ground is independent and without prejudice to each other. ”*

4. Brief facts of the case are that the assessee had not filed his return for A.Y. 2018-19. On the basis of information available on the Insight portal of the department regarding various transactions amounting to Rs. 1,55,50,950/- undertaken by the assessee during the year, a notice u/s 148 was issued by the Ld. AO. As no compliance was made to various notices issued to him, assessment was completed u/s 147 r.w.s 144 r.w.s 144B of the Act determining the income of Rs. 1,55,50,950/-. Aggrieved, the assessee preferred an appeal before Ld. CIT(A). Before Ld. CIT(A) also the assessee failed to submit any reply. In view of persistent non-compliance, Ld. CIT(A) dismissed the appeal *ex-parte* vide order dated 27.02.2025.

4.1 Aggrieved further, the assessee preferred an appeal before the Tribunal.

5. Before us, Ld. AR has submitted that the assessee could not make requisite compliance before the lower authorities due to lack of knowledge even though all the transactions have been made through banking channels and are genuine and verifiable on the basis of documentary evidences available with the assessee. He has, therefore, requested that one more opportunity may be granted to the assessee to present his case before the Ld. AO. Ld. DR has not objected to the said proposition.

6. After hearing both the parties and considering the material available on record, we deem it appropriate to restore the matter to Ld. AO for *de novo* assessment after giving reasonable opportunity to the assessee. The assessee is also directed to be vigilant and make requisite compliance before the Ld. AO.

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

Order pronounced in the Open Court on 20-01-2026.

**Sd/-  
(MAHAVIR SINGH)  
VICE PRESIDENT**

**Sd/-  
(RENU JAUHRI)  
ACCOUNTANT MEMBER**

Dated: 27.01.2026

Pooja Mittal

Copy forwarded to:

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

Asstt. Registrar, ITAT, New Delhi