

IN THE INCOME TAX APPELLATE TRIBUNAL
“CUTTACK BENCH, CUTTACK
VIRTUAL HEARING AT KOLKATA

BEFORE SHRI GEORGE MATHAN, JUDICIAL MEMBER
AND SHRI RAJESH KUMAR, ACCOUNTANT MEMBER

ITA No.822&823/CTK/2025
Assessment Year: 2014-15

Praveen Garg HUF Gurudrawara Road, Rourkela, Odisha-769001. (PAN: AAHHP0557Q)	Vs	ITO, Ward-1, ROURKELA
(Appellant)		(Respondent)

Assessee by : Shri Abhijeet Agarwal, AR
Revenue by : Shri Shakeer Ahamed, Sr. DR

Date of Hearing : 16.03.2026
Date of Pronouncement : 16.03.2026

ORDER

PER BENCH:

ITA No.823/CTK/2025 filed by the assessee against the order of the NFAC, Delhi [hereinafter referred to as the ‘CIT(A)’] in appeal no.NFAC/2013-14/10167015 dated 10.10.2025 for the assessment year 2014-15.

2. Shri Abhijeet Agarwal, AR represented on behalf of the assessee and Shri Shakeer Ahamed, Sr. DR represented on behalf of the revenue.

3. It was submitted by the ld. AR that only issue raised was with regard to assessee's claim u/s 10(38) of the Act. The ld. AR submitted that this is in regard to shares of NCL research. It was the submission that on identical transaction, the 'SMC' Bench of the Tribunal has already held the issue in favour of the case of assessee's brother being case no.ITA No.223/CTK/2023 in Satish Kr. Garg vs. ITO wherein in para 9 to 12, the Tribunal held as under:

"9. The assessee is having investment in listed and unlisted shares. The said Demat account is as on 31.3.2015. The demat account as on 31.3.2014 is found at page 14 of PB, which reads as follows:

Dimensional Securities Pvt. Ltd.
CITY ICE BUILDING, 4TH FLOOR
298, PERIN NARIMAN STREET
FORT, MUMBAI- 400001, TEL. 022-66545200, FAX 022-66545218
Holding valuation Report as on: 31/03/2014 Based on [31/03/2014]Rate

ISIN	ISIN Name	Listing	Quantity	Rate	Value
SATISH KUMAR GARG[1202650000026878]					
Trading Backoffice Code : [G642]					
Beneficiary					
INE130C01021	AMTEK AUTO LTD-RS.2/	Unlisted	1,000	159.20	1,59,200.00
INE365D01021	ASHIANA HOUSING 2/-	Listed	250	88.60	22,150.00
INE062C01034	GLOBAL CAPI EQ 10/-	Listed	1,000	44.85	44,850.00
INE090A01013	ICICI BANK EQUITY	Listed	16	1,245.45	19,927.20
INE201A01024	MANALI PETRO-EQ RS 5	Listed	1,500	8.25	12,375.00
INE165E01015	ORIND EXPORTS - EQ	Unlisted	500	3.17	1,585.00
INE603A01013	PRAKASH IND LTD	Listed	300	45.25	13,575.00
INE010A01011	PRISM JOHNSON-EQ	Listed	100	38.15	3,815.00
INE614G01033	RELIANCE POWER - EQ	Listed	32	70.35	2,251.20
INE114A01011	SAIL EQUITY SHARES	Listed	300	71.40	21,420.00
INE705A01016	VIJAYA BANK EQTY	Listed	300	39.75	11,925.00
Total					3,13,073.40

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"10. The list of shares shows variation. Thus, it is noticed that this is not a single transaction, which has been done by the assessee but the assessee is transacting in shares regularly. The holding statement as on 31.3.2013 shows the existence of NCL Research & Financial Services Ltd.,, which read as follows:

Dimensional Securities Pvt. Ltd.
CITY ICE BUILDING, 4TH FLOOR
298, PERIN NARIMAN STREET
FORT, MUMBAI- 400001, TEL. 022-66545200, FAX 022-66545218
CIN : U65999WB1994PTC234660

Date	Ref No	Description	Debit	Credit
SATISH KUMAR GARG (1202650000026878) [Contd...]				
11/04/12	6053902	Demat Confirm	0	300
Closing Balance				300
ISIN : INE114A01011/SAIL EQUITY SHARES				
			Pending Demat	
Opening Balance				0
04/04/12	6053902	Demat Request	0	300
11/04/12	6053902	Demat Confirm	300	0
Closing Balance				0

"11. The transaction in the demat account which is found at page 13 also shows that the transactions have been done through demat account only, which reads as follows:

Dimensional Securities Pvt. Ltd.
CITY ICE BUILDING, 4TH FLOOR
298, PERIN NARIMAN STREET
FORT, MUMBAI- 400001, TEL. 022-66545200, FAX 022-66545218
CIN : U65999WB1994PTC234660
Transaction/Holding

BOID	1202650000026878	Print Dt	21-11-2023
BO Name	SATISH KUMAR GARG	From	01/04/2013
Address	SATISH KUMAR GARG GURUDWARA ROAD	To	31/03/2014
		Status	Closed
	ROURKELA	Branch	RK-ANUMANG FINANCIAL SE
Pin	769001	PAN No.	ABRPG2129E
State	ORISSA	Trading Code	G642
Phone(s)	9437140351		
Nominee	SULOCHANA GARG		
Subtype	Individual - Resident		

Transaction details for the period 01/04/2013 to 31/03/2014

Date	Ref No	Description	Debit	Credit
ISIN : INE365D01021/ASHIANA HOUSING 2/-				Beneficiary
		Opening Balance		0
26/10/13	569167	CA-Split	0	250
		Closing Balance		250
ISIN : INE365D01013/ASHIANA HOUSING - EQ				Beneficiary
		Opening Balance		50
26/10/13	569167	CA-Split	50	0
		Closing Balance		0
ISIN : INE132F01012/NCL RESEARCH & FIN				Beneficiary
		Opening Balance		1,000
27/11/13	391642	SETTLEMENT-DR/1110001314162/DIMENSION-AL SECURITIES PVT. LTD. DSPLPRIN	50	0
26/11/13	578750	SETTLEMENT-DR/1110001314164/DIMENSION-AL SECURITIES PVT. LTD. DSPLPRIN	97	0
27/11/13	689917	SETTLEMENT-DR/1110001314165/DIMENSION-AL SECURITIES PVT. LTD. DSPLPRIN	25	0
10/12/13	730034	SETTLEMENT-DR/1110001314174/DIMENSION-AL SECURITIES PVT. LTD. DSPLPRIN	50	0
18/12/13	305907	SETTLEMENT-DR/1110001314180/DIMENSION-AL SECURITIES PVT. LTD. DSPLPRIN	3	0
20/12/13	555098	SETTLEMENT-DR/1110001314182/DIMENSION-AL SECURITIES PVT. LTD. DSPLPRIN	3	0
23/12/13	702569	SETTLEMENT-DR/1110001314183/DIMENSION-AL SECURITIES PVT. LTD. DSPLPRIN	50	0
24/12/13	809266	SETTLEMENT-DR/1110001314184/DIMENSION-AL SECURITIES PVT. LTD. DSPLPRIN	120	0
28/12/13	989477	SETTLEMENT-DR/1110001314185/DIMENSION-AL SECURITIES PVT. LTD. DSPLPRIN	160	0
27/12/13	128917	SETTLEMENT-DR/1110001314186/DIMENSION-AL SECURITIES PVT. LTD. DSPLPRIN	20	0
30/12/13	230158	SETTLEMENT-DR/1110001314187/DIMENSION-AL SECURITIES PVT. LTD. DSPLPRIN	35	0
31/12/13	388327	SETTLEMENT-DR/1110001314188/DIMENSION-AL SECURITIES PVT. LTD. DSPLPRIN	5	0
02/01/14	629136	SETTLEMENT-DR/1110001314190/DIMENSION-AL SECURITIES PVT. LTD. DSPLPRIN	100	0
03/01/14	760093	SETTLEMENT-DR/1110001314191/DIMENSION-AL SECURITIES PVT. LTD. DSPLPRIN	20	0
06/01/14	874195	SETTLEMENT-DR/1110001314192/DIMENSION-AL SECURITIES PVT. LTD. DSPLPRIN	30	0
07/01/14	9905	SETTLEMENT-DR/1110001314193/DIMENSION-AL SECURITIES PVT. LTD. DSPLPRIN	11	0
09/01/14	237598	SETTLEMENT-DR/1110001314195/DIMENSION-AL SECURITIES PVT. LTD. DSPLPRIN	22	0
31/01/14	813720	SETTLEMENT-DR/1110001314211/DIMENSION-AL SECURITIES PVT. LTD. DSPLPRIN	20	0
03/02/14	905302	SETTLEMENT-DR/1110001314212/DIMENSION-AL SECURITIES PVT. LTD. DSPLPRIN	43	0
04/02/14	980729	SETTLEMENT-DR/1110001314213/DIMENSION-AL SECURITIES PVT. LTD. DSPLPRIN	11	0
05/02/14	86076	SETTLEMENT-DR/1110001314214/DIMENSION-AL SECURITIES PVT. LTD. DSPLPRIN	50	0

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the Assessing Officer and confirmed by Id CIT(A) in respect of alleged penny stock stands deleted. The Assessing Officer is directed to allow the benefit of exemption claimed u/s.10(38) of the Act.”

3.1 It was the submission that the issue is fully covered by the decision of the Coordinate Bench of this Tribunal. It was further submitted by the ld. AR that ITA No.822/CTK/2025 is consequential penalty proceedings u/s 271 confirmed by the ld. CIT(A).

4. We have considered the rival submissions. It is noticed that the issue in the present case is in regard to the shares of NCL research and the issue has already held in favour of the assessee in the case of assessee’s brother. Respectfully following the decision of the Tribunal in the case of Satish Kr. Garg vs. ITO (supra) on identical issue, the Assessing Officer is directed to grant the benefit of deduction u/s 10(38) of the Act. As the additions itself has been deleted, the penalty u/s 271 is no more survive and the penalty stands deleted.

5. In the result, both the appeals of the assessee are allowed.

Kolkata, the 16th March, 2026.

Sd/-

[Rajesh Kumar]

लेखा सदस्य/Accountant Member

Sd/-

[George Mathan]

न्यायिक सदस्य/Judicial Member

Dated: 16.03.2026.

RS

Copy of the order forwarded to:

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

//True copy//

By order

Assistant Registrar/Sr. PS