

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'F': NEW DELHI**

**BEFORE
SHRI S. RIFAUR RAHMAN, ACCOUNTANT MEMBER
AND
SHRI VIMAL KUMAR, JUDICIAL MEMBER**

**ITA No.1165/Del/2020
(ASSESSMENT YEAR 2009-10)**

Income Tax Officer, Ward-52(1), New Delhi.	Vs.	Late Shri Raghbir Singh (through legal heir Shri Inderpal Singh), Flat No.1, Adishwar Apartments, 34, Feroz Shah Road, New Delhi-01. <i>PAN-ADVPS8364H (Late Shri Raghbir Singh)</i> <i>PAN-ADVPS8362B(LR Shri Inderpal Singh)</i>
(Appellant)		(Respondent)

Assessee by	None
Department by	Ms. Harpreet Kaur Hansra, Sr. DR
Date of Hearing	01.04.2026
Date of Pronouncement	09.04.2026

ORDER

PER VIMAL KUMAR, JM:

The appeal filed by the Revenue is against order dated 19.02.2020 of Learned Commissioner of Income Tax (Appeals)-35, Delhi [hereinafter referred to as 'the Ld. CIT(A)'] passed u/s 250 of the Income Tax Act, 1961, [hereinafter referred to as 'the Act'] arising out of assessment order dated 29.12.2016 of Ld. Assessing Officer/Income Tax Officer, Ward-52(3), Delhi [hereinafter referred to as 'the AO'] u/s 147/143(3) of the Act for Assessment Year 2009-10.

2. Brief facts of the case are that assessee filed his original return of income under the provision of Section 139 of the Act on 31.03.2010 declaring total income of Rs.21,14,570/-. The return was processed u/s 143(1) of the act. The case was not selected for scrutiny assessment for the year under consideration. A letter dated 23.03.2016 was received in the office of the ACIT, Circle-52(1), Delhi from ITO Ward-6(2), Ludhiana forwarding therewith letter no. ADIT(Inv.)-4(2)/STR-46/2015-16 dated 22.03.2016 of the ADIT (Inv.), Unit-4(2), Mumbai informing that during the course of inquiry in some other case, the assessee Sh. Raghbir Singh attended the office of ADIT and submitted copy of his capital account in M/S I.P. Estate for the year under consideration. On the basis of information, a proposal with the above reasons to believe was put up before the competent authority to get necessary sanction u/s 151 of the Act for issue of notice u/s 148 of the Act. Sanction u/s 151 of the Act from the competent authority was received vide letter F.No.Pr.CIT-18/148/147/2015-16/16/16 dated 29.03.2016. Notice u/s 148 dated 29.03.2016 was issued to the assessee vide letter dated 08.06.2016 declaring income of Rs.21,14,570/-. Notice u/s 142(1) and 143(2) dated 08.11.2016 were issued. Assessee filed reply on 19.08.2016 and letter dated 20.09.2016 filed certain objections. Objections were disposed of on 04.10.2016. Jurisdiction over the case of the assessee was transferred to AO vide letter dated 18.10.2016. Notice u/s 142(1) of the Act dated 31.10.2016 was issued. Sh. Raghbir Singh and Sh. Ashok Khandelwal, CA/AR of assessee attended the proceedings from time to time and file details. On completion of appellate proceedings, Ld. AO vide order dated 29.12.2016 made additions of Rs.1,97,83,000/-.

3. Against order dated 29.12.2016, the assessee filed appeal before Ld. CIT(A) which was allowed vide order dated 19.02.2020.

4. Being aggrieved, the Department of Revenue preferred present appeal on following grounds of appeal:

“1. On the facts and in the circumstances of the case, the Ld. CIT(A) has erred in deleting the addition of Rs.1,97,83,000/- made on account of unexplained cash credit u/s 68 of the I.T. Act, without appreciating the findings of the AO.

2. The Ld. CIT(A) has erred in deleting the addition of Rs. 1,97,83,000/- without considering the facts and that at every stage the assessee failed to produce evidence, explanation and source of investment. The verification done during the assessment and remand report proceedings proves that some of the entities with whom the assessee claimed to have transactions denied the fact that they had made any cash transactions with the assessee during the year under consideration.

3. The Ld. CIT (A) has erred in deleting the addition made by the AO to the tune of Rs. 1,97,83,000/- in spite of the fact that in this particular case the assessee has introduced cash in his capital account which in every step of assessment/remand proceedings proved bogus. Since the cash transactions made by the assessee proved bogus there is no question that the AO had made addition which were not recorded in the reasons recorded by the AO.”

5. Ld. Departmental Representative submitted that Ld. CIT(A) erred in deleting additions of Rs.1,97,831/- made on account of unexplained cash credit u/s 68 of the Act, despite of the fact that assessee had introduced cash in his capital account which was proved bogus.

6. At the time of hearing, none appeared for respondent assessee.

7. From examination of record in light of aforesaid submissions, it is crystal clear that Ld. CIT(A) deleted addition of Rs.1,97,83,000/- without considering the fact that assessee failed to prove due evidence and explanation and source of investment during assessment and remand proceedings. Therefore, the order of Ld. CIT(A) being unjust, unfair, unreasonable and illegal is set aside. The grounds of appeal are accepted.

8. In the result, the appeal filed by the Department of Revenue is allowed.

Order is pronounced in the open Court on 09.04.2026.

Sd/-

(S. RIFAUR RAHMAN)
ACCOUNTANT MEMBER

Dated: 09.04.2026

PK, Sr. Ps

Copy forwarded to:

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

Sd/-

(VIMAL KUMAR)
JUDICIAL MEMBER

ASSISTANT REGISTRAR
ITAT NEW DELHI