

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI “A” BENCH: NEW DELHI**

**BEFORE SHRI ANUBHAV SHARMA, JUDICIAL MEMBER &
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER**

**ITA No.6395/Del/2025
[Assessment Year : 2018-19]**

Anand Agarwal J-15, Hauz Khas Enclave, Aurobindo Marg, Hauz Khas, South Delhi, Delhi- 110016. PAN-AADPA8152A	vs	DCIT Circle-10(1) New Delhi
APPELLANT		RESPONDENT
Appellant by	Shri Ajay Wadhwa, Adv. Ms. Chetna Jain, Adv. & Shri Paritosh Jain, Adv.	
Respondent by	Shri Ajay Kumar Arora, Sr. DR	
Date of Hearing	02.02.2026	
Date of Pronouncement	24.04.2026	

ORDER

PER MANISH AGARWAL, AM :

The present appeal is filed by assessee against the order dated 08.09.2025 by Ld. Commissioner of Income Tax (A), National Faceless Appeal Centre (“NFAC”), Delhi [“Ld. CIT(A)”] in Appeal No. NFAC/2017-18/10086619 passed u/s 250 of the Income Tax Act, 1961 [“the Act”] arising out of assessment order dated 10.05.2021 passed u/s 143(3) r.w.s. 144B of the Act pertaining to Assessment Year 2018-19.

2. Brief facts of the case are that assessee is Director in M/s. Haldiram Snacks Pvt. Ltd. and drawing salary and also having Income from Capital Gains and interest income. The return of income was filed u/s 139(1) of the Act on 30.07.2018, declaring total income of INR 9,78,13,230/-. The case was selected for compulsory scrutiny and notice u/s 143(2) was issued on 25.09.2019 followed by notices u/s 142(1) alongwith questionnaires issued from time to time. The AO observed that assessee is having huge cash deposits and withdrawals in the bank accounts maintained with Yes Bank. Accordingly, the assessee was asked to file the details of the deposits so made. The assessee filed the necessary details of the deposits and after verification of the details filed, the AO observed that on 20.04.2017 assessee had received a sum of INR 1.70 crores from Priyanka Agarwal and further a sum of INR 2.35 crores was also received on the same day from Shri Umesh Agarwal. In support of the transactions, assessee filed confirmations of both the parties. The AO alleged that assessee has failed to prove the creditworthiness and genuineness of the parties by not filing their ITRs and bank statements and thus, invoked the provisions of section 68 of the Act and made the addition on the same. The AO further invoked the provisions of section 115BBE of the Act for charging special rate of tax and accordingly, the total income was assessed at INR 13,83,13,232/-.

3. Against the said order, assessee filed an appeal before Ld. CIT(A) who vide impugned order dated 08.09.2025, dismissed the appeal of

the assessee by ignoring the submission of the assessee that during the year under appeal, assessee has received back the loans given by the assessee to both the parties in immediately preceding year, therefore, the provision of section 68 of the Act are not applicable.

4. Aggrieved by the order of Ld. CIT(A), assessee is in appeal before the Tribunal by taking various grounds of appeal which all are regarding the confirmation of the addition of Rs. 4,05,00,000/- made u/s 68 of the Act by the AO by holding the amounts received from two parties as unexplained credits.

5. Before us, Ld. AR for the assessee submits that the assessee has given short term advances to his family members namely Shri Umesh Agarwal and Smt. Priyanka Agarwal through banking channel on 24.03.2017 for which copy of bank statement of the assessee is placed at page 59 of the Paper Book. Ld. AR further submits that these amounts were refunded back to the assessee by both the persons through account payee cheques drawn on the same date which were deposited by the assessee on 20.04.2017. The copy of the bank statements of both the parties as filed before the lower authorities are placed at page 63 & 64 of the Paper Book. Ld. AR submits that since the funds were given by the assessee in immediately preceding year which were received back by the assessee during the year under appeal, therefore, the provisions of section 68 are not applicable. For this, assessee copy of bank statements of both the parties are placed before us, wherein sum given by the assessee

and received back were duly appearing in their bank statements. He further filed a copy of ITRs and Balance Sheets of both the persons. It is thus, submitted that the assessee has first gave the loans to these parties which were received back during the year under appeal, therefore, there is no occasion to allege these sums as unexplained credit and no addition could be made for the same in the hands of the assessee. He prayed accordingly.

6. On the other hand, Ld. Sr. DR for the Revenue vehemently supported the orders of lower authorities and submits that as per the confirmation of both the parties, they had issued cheques on 23.03.2017 to the assessee however, the same were not deposited by the assessee in previous year and deposited in the bank account in the year under appeal. Since there was a credit in the bank account of the assessee in current financial year, therefore, burden is on the assessee to prove the genuineness of credits in the bank accounts and creditworthiness of the payers, which has not been established in the present case. He, therefore, requested for the confirmation of the additions so made by the AO and confirmed by ld. CIT(A).

7. Heard the contentions of both parties at length and perused the material available on record. From the perusal of assessment order and information filed by the assessee in the shape of bank statements and other documents before us, it is observed that assessee has given loans to both the parties in immediately preceding assessment year i.e. in AY 2017-18 which were duly debited in the bank account of

the assessee as is evident from page 59 of the Paper Book wherein both the cheques got debited on the same date i.e. 24.03.2017. It is further observed that both the parties have refunded the loans through payees account cheques drawn on the same day however, these cheques were presented in the bank by the assessee in the previous year relevant to Assessment year before us in present appeal on 20.04.2017. There were credits in the bank account of the assessee of both the amount advanced earlier to both the parties which is evident from the copy of the bank account of the assessee placed before us. The assessee also filed copy of the bank statements of both the parties wherein these transactions appearing in their bank accounts. From the examination of these details, it is very much evident that assessee has first made advances to both these parties in immediately preceding Assessment years which were received back by the assessee in the year under appeal and therefore, it is not the receipt of fresh loan but is a receipt of repayment of advances given in preceding year.

8. Under these circumstances, provisions of section 68 of the Act are not applicable on these transactions. Even otherwise, by filing the copies of ITR, Balance Sheet and -bank statements of both the persons, assessee has discharged the burden casted upon him of establishing the genuineness of transaction and credit worthiness of both the persons. It is further observed that in the case of the assessee, assessment for immediately preceding year was completed u/s 143(3) of the Act, wherein the source of the advances given to

these two parties by the assessee was never doubted. Once it is established that the credits in the bank accounts during the year under appeal on account of received back of the loans given in the preceding AYs and the assessee has filed the bank statements and copy of ITRs and other particulars of both the parties before Id. CIT(A) who has failed to appreciate the correct nature of transactions while confirming the addition made.

9. In view of overall discussions made herein above, in our considered view, no addition could be made on account of credits in the bank accounts of the assessee which were received as liquidation of advances/loans given in the immediately preceding years accordingly, the same are deleted. All the grounds of appeal taken by the assessee are thus, allowed.

10. In the result, appeal of the assessee is allowed.

Order pronounced in the open Court on 24.04.2026.

Sd/-

**(ANUBHAV SHARMA)
JUDICIAL MEMBER**

Sd/-

**(MANISH AGARWAL)
ACCOUNTANT MEMBER**

Date:- 24.04.2026

Amit Kumar, Sr.P.S

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2. Respondent
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ASSISTANT REGISTRAR
ITAT, NEW DELHI