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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ W.P.(C) 5782/2025 and CM APPLs. 26372-74/2025

LORD FINCAP LIMITED .....Petitioner

Through: Mr Amol Sinha with Mr Kshitiz Garg and Mr Ankit Kumar, Advocates.

versus

DEPUTY COMMISSIONER OF INCOME TAX CIRCLE-13(1), DELHI & ANR. .....Respondents

Through: Mr Shlok Chandra, SSC with Ms Naincy Jain and Ms Madhavi Shukla, JSCs.

CORAM:
HON'BLE MR. JUSTICE VIBHU BAKHRU
HON'BLE MR. JUSTICE TEJAS KARIA

O R D E R

% 02.05.2025

1. Issue notice.

2. The learned counsel for the Revenue accepts notice.

3. The petitioner has filed the present petition challenging an Assessment Order dated 24.03.2025 [**impugned assessment order**] passed by the Assessing Officer [**AO**] under Section 147 of the Income Tax Act, 1961 [**Act**] read with Section 143(3) of the Act. The AO added an amount of ₹13,43,45,000/- to the petitioner’s declared income for Assessment Year [**AY**] 2019-20. The said addition included an amount of ₹10,00,000/- which according to the AO was an accommodation entry. The balance amount of ₹13,33,45,000/- was added on account of aggregate cash deposited in the petitioner’s bank account maintained with Jammu & Kashmir Bank which according to the AO, remained unexplained.

4. The impugned assessment order was passed pursuant to reassessment proceedings that were initiated by issuance of a notice dated 28.03.2023 under Section 148A(b) of the Act. The said notice culminated in an order dated 12.04.2023 passed under Section 148A(d) of the Act and pursuant to the said order, a notice dated 12.04.2023 was issued under Section 148 of the Act.

5. The petitioner is a Non-Banking Financial Company [**NBFC**] and is engaged in the business of advancing loans. The petitioner claims that it has a portfolio of loans advanced to customers for purchase of motorcycles and two wheelers. The cash deposited in its bank accounts relates largely to the installments paid by its customers for serving the loans advanced by the petitioner.

6. The petitioner claims that it had furnished a tabular statement setting out the details of the loan accounts; the relevant code assigned to the said loan accounts; the customers names; the amount deposited in the bank account of the petitioner; and, the nature of the receipt.

7. The learned counsel appearing for the petitioner drew the attention of this court to the said tabular statement, a copy of which is annexed to the present petition. The petitioner has also filed receipt vouchers clearly indicating the name of the customers; the amount received as well as the reference to the loan agreement. Additionally, the petitioner has provided a sample copy of the loan agreement which, apart from other details, also bears the photograph of the borrower. The learned counsel for the petitioner has affirmed that all the above-mentioned documents were provided to the Assessing Officer.

8. Notwithstanding the information as provided, the AO has proceeded

on the basis that the petitioner had not furnished any explanation regarding the source of the deposits. This is *ex facie* erroneous. Thus, it is apparent that the impugned order has been passed in disregard of the material particulars furnished by the petitioner.

9. We, accordingly, set aside the impugned assessment order and remand the matter to the AO to consider afresh and pass an assessment order after considering the material on record within a period of four weeks from date.

10. The petitioner is also at liberty to furnish further information as it considers relevant to the AO within a period of two weeks from date.

11. The petition is disposed of in the aforesaid terms. Pending applications are also disposed of.

VIBHU BAKHRU, J

TEJAS KARIA, J

MAY 02, 2025

Tr/gsr

Click here to check corrigendum, if any