

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

**BEFORE SHRI SHAMIM YAHYA, ACCOUNTANT MEMBER  
and  
SHRI SUDHIR PAREEK, JUDICIAL MEMBER**

**ITA No.2538/DEL/2023  
(Assessment Year: 2012-13)**

Ajay Satsangi,  
2, Eastern Avenue,  
Maharani Bagh,  
Delhi – 110 065.

vs.

ITO, Ward 28 (1),  
Delhi.

**(PAN : AAZPS6763M)**

(APPELLANT)

(RESPONDENT)

ASSESSEE BY : Shri K. Sampath, Advocate  
Shri V. Rajkumar, Advocate  
REVENUE BY : Shri Kanv Bali, Sr. DR

Date of Hearing : 03.07.2024  
Date of Order : 09.07.2024

**ORDER**

**PER SHAMIM YAHYA, ACCOUNTANT MEMBER :**

This appeal by the assessee is directed against the order of the Id. CIT (Appeals)/National Faceless Appeal Centre (NFAC) dated 01.09.2023 for the assessment year 2012-13.

2. Grounds of appeal taken by the assessee read as under :-

“A. On the facts and in the circumstances of the case and in law the NFAC Delhi erred in dismissing the appeal by passing a non-speaking order.

B. On the facts and in the circumstances of the case and in law the NFAC erred in confirming the following actions of the Income Tax Officer in-

- i. initiating proceedings u/s 147/148 of the without there being any valid reason leading or plausible cause to the belief of escapement of any income;
- ii. passing order u/s 147/143(3) of the Act without providing reasons recorded for the formation of the belief of escapement of income;
- iii. determining the taxable income at Rs. 50,69,689/- as against the true NIL income;
- iv. making the following additions to the returned income -
  - a. Rs,10,00,000/- on account of investment in mutual fund treating the same as unexplained; -
  - b. Rs.2,26,600/- on account of payment towards credit card bills;
  - c. Rs.38A3,089/- on account of loss incurred by the assessee in shares holding that such loss was met out of unexplained sources.”

3. In this case, in the assessment framed by the AO, he made an addition of Rs.50,69,689/-. Upon assessee's appeal, Id. CIT (A) dismissed the assessee's appeal.

4. Against the above order, assessee is in appeal before us. We have heard both the parties and perused the records.

5. At the outset, Id. Counsel for the assessee submitted that proceedings under section 147/148 of the Income-tax Act, 1961 (for short 'the Act') have been initiated in this case without there being a valid reason leading to a

plausible belief of escapement of any income of the assessee. He further submitted that the order has been passed without providing reasons recorded.

6. On a query in this regard, ld. CIT DR brought the assessment records and could not dispute the proposition that there is no reasons recorded in the assessment records.

7. When no reasons have been recorded for reopening the assessment loses its jurisdiction and it is a jurisdictional defect liable to quashing of assessment order. In this case, it is abundantly clear that there are no reasons recorded and as such, when there is no reason recorded for reopening, the assessment is hereby quashed.

8. Since we are adjudicating the issue on the jurisdictional issue, other aspects need not be adjudicated.

9. In the result, the appeal of the assessee stands allowed as above.

**Order pronounced in the open court on this 9<sup>th</sup> day of July, 2024.**

**Sd/-  
(SUDHIR PAREEK)  
JUDICIAL MEMBER**

**sd/-  
(SHAMIM YAHYA)  
ACCOUNTANT MEMBER**

**Dated the 9<sup>th</sup> day of July, 2024  
TS**

Copy forwarded to:

- 1.Appellant
- 2.Respondent
- 3.CIT
- 4.CIT (A)
- 5.CIT(ITAT), New Delhi.

**AR, ITAT  
NEW DELHI.**