

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

**BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER  
AND  
SHRI M. BALAGANESH, ACCOUNTANT MEMBER**

ITA No.1329/Del/2020  
Assessment Year: 2011-12

ACIT, Circle-Karnal, Haryana	<b>Vs.</b>	Mahesh Industries Pvt. Ltd., Timber Market, Sadar Bazar, Karnal, Haryana
		<b>PAN :AAF3302F</b>
<b>(Appellant)</b>		<b>(Respondent)</b>

**With**

ITA No.1330/Del/2020  
Assessment Year: 2011-12

ACIT, Circle – Karnal, Haryana	<b>Vs.</b>	M/s. Mahesh Timber Pvt. Ltd., Timber Market, Sadar Bazar, Karnal, Haryana
		<b>PAN :AACCM5526G</b>
<b>(Appellant)</b>		<b>(Respondent)</b>

**With**

C.O. No.19/Del/2021  
[Arising out of ITA No.1329/Del/2020]  
Assessment Year: 2011-12

Mahesh Industries Pvt. Ltd., Timber Market, Sadar Bazar, Karnal, Haryana	<b>Vs.</b>	ACIT, Circle-Karnal, Haryana
		<b>PAN :AAF3302F</b>
<b>(Appellant)</b>		<b>(Respondent)</b>

**With**

C.O. No.20/Del/2021  
[Arising out of ITA No.1330/Del/2020]  
Assessment Year: 2011-12

M/s. Mahesh Timber Pvt. Ltd., Timber Market, Sadar Bazar, Karnal, Haryana	<b>Vs.</b>	ACIT, Circle – Karnal, Haryana
<b>PAN :AACCM5526G</b>		
<b>(Appellant)</b>		<b>(Respondent)</b>

Assessee by	Ms. Rano Jain, Adv. Ms. Mansi Jain, CA Sh. Pranshu Singhal, CA
Department by	Ms. Jaya Choudhary, CIT(DR)

Date of hearing	26.11.2024
Date of pronouncement	02.12.2024

**ORDER**

**PER SATBEER SINGH GODARA, JM**

These Revenue's twin appeals and assessee's cross objections therein i.e. ITA No.1329 & 1330/Del/2020 and C.O. No.19 & 20/Del/2021, for assessment year 2011-12, arise against the CIT(A), Karnal's separate orders, both dated 12.03.2020, passed in case no. IT/448/E/KNL/2018-19 and IT/442/KNL/2018-19, respectively, involving proceedings under section 143(3)/147 of the Income Tax Act, 1961 (in short "the Act").

2. We are informed during the course of hearing that both these Revenue's appeals as well as assessee's as many cross objections therein are based on identical set of facts. We thus take up the

Revenue's former appeal ITA No.1329/Del/2020 in case of M/s. ACIT Vs. Mahesh Industries Pvt. Ltd. as the 'lead' case.

3. It is noticed from a perusal of this "lead" file, and more particularly, from the assessment order dated 30<sup>th</sup> December, 2018; that the Assessing Officer had in fact set into motion his section 148/147 reopening jurisdiction after recording the sole reason to believe that the assessee had received funds amounting to Rs.2,95,00,000/- from Sh. Raman Kumar, who had transferred funds to various entities, which represented its bogus sales. As against this, the department could hardly dispute the clinching fact that the learned Assessing Officer's said assessment proceeded to disallow the corresponding expenditure booked against the said bogus sales; coming to Rs.17,20,36,471/- only. Meaning thereby, that the learned Assessing Officer had not made any addition qua the foregoing sole reason of reopening (supra) and therefore, such a course of action adopted by departmental authorities is not sustainable in law as per Ranbaxy Laboratory Vs. CIT (2011) 336 ITR 136 (Del) and CIT Vs. Jet Airways (I) Ltd. (2011) 331 ITR 236 (Bom.).

4. We accordingly conclude that the impugned reopening deserves to be quashed in these peculiar facts and circumstances.

Ordered accordingly. This Revenue's lead appeal ITA No. 1329/Del/2020 fails and the assessee M/s. Mahesh Industries Pvt. Ltd.'s cross objection 19/Del/2021 is accepted in very terms.

5. Same order to follow in the Revenue's remaining appeal ITA No.1330/Del/2020 and latter assessee's C.O. No. 20/Del/2021 therein since involving identical facts.

6. All other pleadings herein in these four cases stand rendered academic.

7. To sum up, these Revenue's twin appeals ITA Nos.1329 & 1330/Del/2020 are dismissed and assessee's cross objections C.O. Nos. 19 & 20/Del/2021 are allowed in above terms. A copy of this order be placed in respective case files.

***Order pronounced in the open court on 2<sup>nd</sup> December, 2024***

***Sd/-***  
**(M. BALAGANESH)**  
**ACCOUNTANT MEMBER**

***Sd/-***  
**(SATBEER SINGH GODARA)**  
**JUDICIAL MEMBER**

Dated: 2<sup>nd</sup> December, 2024.

RK/-

Copy forwarded to:

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

Asst. Registrar, ITAT, New Delhi