

**IN THE INCOME-TAX APPELLATE TRIBUNAL “D” BENCH,  
MUMBAI**

**BEFORE SMT. BEENA PILLAI, JUDICIAL MEMBER  
&  
SMT. RENU JAUHRI, ACCOUNTANT MEMBER**

**ITA No. 2380/MUM/2024  
(A.Y. 2013-14)**

DCIT, Central Circle- 7(1), Room No. 676 B, 6 <sup>th</sup> Floor, Aayakar Bhavan, M.K. Road, Mumbai-400020	v/s. बनाम	Royal India Corporation Ltd. 62, 6 <sup>th</sup> Floor, Mittal Tower, Nariman Point, Mumbai- 400020
<b>स्थायी लेखा सं./जीआइआर सं./PAN/GIR No: AABCN3770A</b>		
<b>Appellant/अपीलार्थी</b>	<b>..</b>	<b>Respondent/प्रतिवादी</b>

Assessee by :	Shri Sharwan Kumar Jha
Revenue by :	Smt. Sanyogita Nagpal

Date of Hearing	06.11.2024
Date of Pronouncement	29.11.2024

**आदेश / ORDER**

**PER RENU JAUHRI [A.M.] :-**

This appeal is filed by the revenue against the order of the Learned Commissioner of Income-tax (Appeals), Mumbai-49/National Faceless Appeal Centre, Delhi [hereinafter referred to as “CIT(A)”] dated 23.02.2024 passed u/s. 250 of the Income-tax Act, 1961 [hereinafter referred to as “Act”] for Assessment Year [A.Y.] 2013-14.

2. The revenue has raised following grounds of appeal:

*“1. On the facts and in the circumstances of the case and in law, the Ld. CIT(A) erred in allowing the appeal of the assessee despite the fact that assessee could not prove the nature and source of credits in his Bank Account.*

*2. On the facts and in the circumstances of the case and in law, the Ld. CIT(A) erred in allowing the appeal of the assessee despite the fact that the assessee could not prove the creditworthiness and the genuineness of the transactions.*

*3. On the facts and in the circumstances of the case and in law, the Ld. CIT(A) erred in allowing the appeal of the assessee despite the fact that the assessee did not furnish any satisfactory explanation & materials/book about the nature and source of the amount credited in its books of accounts. Therefore, the assessee held that the amounts totaling to Rs. 111,48,50,726/- found credited in the books of account of the assessee during the year under consideration as unexplained cash credits.”*

2. The brief facts of the case are that the assessee filed its return declaring income of Rs. 6,67,990/- on 30.09.2013. The case was selected for scrutiny and assessment u/s 143(3) of the Act was completed at an income of Rs. 6,73,090/- vide order dated 26.03.2016. Subsequently, the assessment was reopened and reassessment u/s 143(3) r.w.s. 147 of the Act was completed vide order dated 21.12.2019 at an income of Rs. 94,88,92,940/-. The case was reopened once again and a notice u/s 148 was issued on 31.03.2021. Order u/s 143(3) r.w.s. 147 was passed by the Ld. AO on 30.03.2022 assessing total income at Rs. 206,37,43,666/- after making an addition of Rs. 11,48,50,726/- on account of unexplained cash credit u/s 68 of the Act.

3. The first reopening u/s 148 was made on the basis of information received from the Investigation Wing regarding high value transactions appearing in the bank account of the assessee. The Ld. AO verified the bank statement of the



assessee's account with ICICI bank wherein the total credits amounting to Rs. 94,82,19,847/- were treated as unexplained and added to the income. At the time of second reopening, the Ld. AO received further information from the Investigation Wing regarding unexplained credit of Rs. 21,73,37,224/- in the bank account of the assessee. The assessment order was passed on 30.03.2022 after making an addition of Rs. 111,48,50,726/- without verifying whether the credit in question appearing in the bank account had already been added u/s 68 of the Act in the earlier assessment order or not.

4. Aggrieved with the order of the Ld. AO, the assessee filed an appeal before Ld. CIT(A). The assessee's appeal was allowed by the Ld. CIT(A) with the following observations:

*"13.6 From the facts discussed above, it can be seen that the AO had added the entire credits appearing in the bank account as unexplained cash credit u/s 68 of the Act in the order u/s. 143(3) r.w.s. 147 of the Act on 21/12/2019. The information relating to the high value transactions of Rs.21,73,37,224/- is also part of the total bank credits already added by the A.O. Further, in the earlier assessment order dated 21/12/2019 passed u/s.143(3) r.w.s. 147, the A.O had clearly noted that the transactions of Rs. 33,59,67,217/- pertain to M/s. Access Diamond Pvt. Ltd.*

*13.7 In the impugned assessment order dated 30/03/2022 passed u/s. 143(3) r.w.s.147, without discussing any facts, the AO has made the addition of Rs. 111,48,50,726/-, in spite of knowing the fact that the entire credits appearing in the bank account had been added u/s 68 of the Act in the earlier assessment order. The AO again added Rs.111.48 Cr. and assessed the total income of the appellant for the year under consideration at Rs. 206.37 Cr. As already stated, the total turnover of the appellant for the year under consideration is Rs. 110.47 Cr., whereas the total income assessed is Rs. 206.37 Cr.*

*13.8 From the above, it is evident that in the assessment order dated 21/12/2019 passed u/s.143(3) r.w.s. 147, the AO had made an addition of Rs.94,82, 19,847/-, which represented, as per the AO, the entire credits appearing in the ICICI Bank account of*



*the appellant. Thereafter, on similar information regarding the credits appearing in the bank account pertaining to M/s. Access Diamond Pvt. Ltd., the AO again added the total turnover. In the assessment proceedings, no efforts were made by the AO to trace any other bank account of the appellant.*

*13.9 In view of the discussion in the foregoing paragraphs, I see no reason to sustain the addition of Rs.111,48,50,726/- made by the AO u/s.68/69A of the Act. The addition is, accordingly, directed to be deleted and Grounds No. 3, 4 & 5 of the appeal are ALLOWED.”*

5. Aggrieved with the order of the Ld. CIT(A), the revenue is in appeal before us.

6. We have heard the rival submissions and perused the material available before us. A copy of the reasons recorded for reopening the assessment has been filed before us. Relevant portion of the of the reasons recorded for reopening the assessment a second time is reproduced as below:

*“Information is received from the DDIT (Inv) Unit-7(4), Mumbai through Insight CRIU/VRU portal (Vide ID No. 1000009212 and Ref No-7 uploaded on 10.03.2021). It is seen in the verification result of the said information uploaded on Insight (CRIU) that unexplained credit of Rs.21,73,37,224/- is received in the bank account of the assessee company during the FY 2012-13 relevant to the AY 2013- 14. However, account number and bank name is not mentioned. In absence of this information it is not possible to draw the conclusion that whether the addition made in the earlier assessment amounting to Rs.94,88,92,940/- includes the amount of Rs.21,73,37,224/- . Therefore, to protect the interest of the revenue it is necessary to brought the unexplained credit of Rs.21,73,37,224/- to tax.”*

7. It is seen from the above that the AO did not have ‘reason to believe’ that income chargeable to tax has escaped income and therefore, the reopening is held to be bad in law. Further, the amount in respect of which the addition had been made at the time of second reassessment was already included in the



income assessed vide the first assessment order. This fact has clearly been brought out in the order of the Ld. CIT(A) reproduced in para 5 hereinabove.

8. In view of the facts and circumstances of the case, we find no reason to interfere with the order of the Ld. CIT(A).

9. In the result, the appeal of the revenue is dismissed.

Order pronounced in the open court on .2024.

**Sd/-**

**BEENA PILLAI**

**(न्यायिक सदस्य/JUDICIAL MEMBER)**

**Sd/-**

**RENU JAUHRI**

**(लेखाकार सदस्य/ACCOUNTANT MEMBER)**

Place: मुंबई/Mumbai

दिनांक /Date 29.11.2024

अनिकेत सिंह राजपूत/ स्टेनो

**आदेश की प्रतिलिपि अग्रेषित/Copy of the Order forwarded to :**

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. आयकर आयुक्त / CIT
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण DR, ITAT,  
Mumbai
5. गार्ड फाईल / Guard file.

सत्यापित प्रति //True Copy//  
आदेशानुसार/ BY ORDER,



ITA No. 2380/Mum/2024  
A.Y. 2013-14  
Royal India Corporation Ltd.

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उप/सहायक पंजीकार (Dy./Asstt. Registrar)  
आयकर अपीलीय अधिकरण/ ITAT, Bench,  
Mumbai.

