

**IN THE INCOME-TAX APPELLATE TRIBUNAL, SURAT BENCH, SURAT
BEFORE SHRI PAWAN SINGH, JUDICIAL MEMBER &
SHRI BIJAYANANDA PRUETH, ACCOUNTANT MEMBER**

आयकर अपील सं./ITA No.1288/SRT/2024

Assessment Year: (2017-18)

(Physical court hearing)

Deputy Commissioner of Income-tax, Circle-2(1)(1) Surat, Room No.,612, Aayakar Bhawan, Majura Gate, Surat-395 001	बनाम/ Vs.	7 Star Dreams 1001, World Trade Centre, Ring Road, Surat-395 002
स्थायी लेखासं./जीआइआरसं./PAN/GIR No: AABFZ 2575 L		
(अपीलार्थी/Appellant)		(प्रत्यर्थी /Respondent)

निर्धारिती की ओर से /Appellant by	Shri Sapnesh R Sheth, CA
राजस्व की ओर से /Respondent by	Shri Ritesh Mishra, CIT-DR
सुनवाई की तारीख/Date of Hearing	11/03/2025
उद्घोषणा की तारीख/Date of Pronouncement	24/03/2025

आदेश / ORDER

PER BIJAYANANDA PRUETH, AM:

This appeal by the Revenue emanates from the order passed under section 250 of the Income-tax Act, 1961 (in short, 'the Act') dated 22.10.2024 by the CIT(Appeals)/National Faceless Appeal Centre, Delhi [in short 'the CIT(A)'] for the assessment year (AY) 2017-18, which in turn arises out of assessment order passed by Assessing Officer (in short 'AO') u/s 143(3) r.w.s. 263 r.w.s 144B of the Act dated 27.03.2024.

2. At the outset, the Ld. AR of the assessee submitted that the AO had passed assessment order u/s 144 of the Act for AY 2017-18 on 23.12.2019 determining total income at Rs.4,71,75,090/- as against returned income of

Rs.23,07,670/-. Subsequently, the Ld.PCIT invoked jurisdiction u/s 263 of the Act and passed order on 17.03.2022 setting aside the assessment order of AO with a direction to pass fresh assessment order on the issue of unexplained creditors of Rs.4,52,05,666/-. The AO, thereafter, passed order u/s 143(3) r.w.s. 263 r.w.s. 144B of the Act on 27.03.2023 by making additions of Rs.3,15,14,374/- and Rs.5,47,831/- on account of unexplained cash credit u/s 68 and u/s 41(1) of the Act being difference in the confirmation of parties and amount in the books of account of assessee respectively. The total income was determined at Rs.7,92,37,290/- as against the total income of Rs.4,71,75,090/- u/s 144 of the Act. Aggrieved by the order of AO assessee filed appeal before CIT(A) who allowed the appeal because the order u/s 263 dated 17.03.2022 was quashed by the ITAT in ITA No.95/SRT/2022 dated 30.03.2023. The Ld. AR submitted that the since the order of Ld.PCIT u/s 263 has been quashed by the Tribunal, the consequential orders passed by the AO and CIT(A) do not survive.

3. On the other hand, Ld.CIT-DR for the Revenue supported the order of lower authorities.

4. We have heard rival submissions of both the parties and perused the orders of the lower authorities. The original order passed by the AO dated u/s 144 dated 23.12.2019 was set aside by the Ld.PCIT u/s 263 of the Act dated 17.03.2022. The AO passed consequential order u/s 143(3) r.w.s. 263 r.w.s. 144B of the Act on 27.03.2023 by making additions of Rs.5,47,831/- and Rs.3,15,14,374/-. Against the order of AO, assessee filed appeal before CIT(A).

The appellant also filed appeal against order of Ld.PCIT u/s 263 of the Act. The ITAT in its order ITA No.95/SRT/2022 dated 30.03.2023 quashed the order of Ld.PCIT. Relying on the above order of ITAT, the CIT(A) has allowed appeal of assessee because order u/s 263 was quashed by the Tribunal. We do not find any infirmity in the order of CIT(A) because there was no basis at all to make the addition in the consequential assessment order u/s 143(3) r.w.s. 263 r.w.s. 144B of the Act once the revision order u/s 263 of the Act itself has been quashed by the Tribunal. Therefore, the CIT(A) has rightly allowed the appeal of assessee. This ground of Revenue's appeal is dismissed.

5. In the result, appeal of the Revenue is dismissed.

Order pronounced under proviso to Rule 34 of ITAT Rules, 1963 on 24/03/2025 in the open court.

Sd/-
(PAWAN SINGH)
न्यायिक सदस्य/JUDICIAL MEMBER
सूरत /Surat
दिनांक/ Date: 24/03/2025
Dkp Outsourcing Sr.P.S*

Sd/-
(BIJAYANANDA PRUETH)
लेखा सदस्य/ ACCOUNTANT MEMBER

आदेश की प्रतिलिपि अग्रेषित/ Copy of the order forwarded to :

- **अपीलार्थी/ The Appellant**
- **प्रत्यर्थी/ The Respondent**
- **आयकर आयुक्त/ CIT**
- **आयकर आयुक्त (अपील)/ The CIT(A)**
- **विभागीय प्रतिनिधि, आयकर अपीलीय आधिकरण, सूरत/ DR, ITAT, SURAT**
- **गार्ड फाईल/ Guard File**

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By order/आदेश से,

सहायक पंजीकार