

THE INCOME TAX APPELLATE TRIBUNAL
SURAT BENCH, SURAT

Through Hybrid Mode

**Before Ms. Suchitra Kamble, Judicial Member
And Shri Bijayananda Pruseth , Accountant Member**

**ITA No. 140/Srt/2025
Assessment Year 2017-18**

Dy. CIT, Circle-1(1)(1), Surat (Appellant)	Vs	Sachin Notified Area, Plot No. 5719, Unnati Building, Sachin, GIDC Sachin Surat -394230 PAN: AAALSO146H (Respondent)
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**Assessee by: Shri PM Jagasheth, A.R.
Revenue by: Shri Ravinder Sindhu, CIT-D.R.**

Date of hearing : 16-07-2025
Date of pronouncement : 08-08-2025

आदेश/ORDER

Per Suchitra Kamble, Judicial Member:

This is an appeal filed against the order dated 10-12-2024 passed by National Faceless Appeal Centre (NFAC), Delhi for assessment year 2017-18.

2. The grounds of appeal are as under:-

“(i) On the facts and in the circumstances of the case and in law. the ld. CIT(A) is justified in allowing the appeal of the assessee whereas the department has filed appeal before the Hon'ble High Court against the order of Hon'ble ITAT in ITA No 343/SRT/2022

dated 30.03.2023 in quashing the order of the Pr. CIT passed u/s. 263 of the Act.

(ii) On the facts and circumstances of the case and in law the Ld.CIT(A) has erred in deleting the addition of Rs 4,21,54,142/- even though the assessee is not qualifying for deduction u/s 10(20) of the Act and it has not routed the said amount of interest income on FDs thorough P&L Account.

(iii) On the basis of the facts and circumstances of the case and in law, the Ld. CIT(A) ought to have upheld the order of the Assessing Officer.

(iv) It is therefore prayed that the order of Ld. CIT(A) may kindly be set aside that of the Assessing Officer be restored.

(v) The appellant craves leave to add, alter, amend and/or withdraw any ground of appeal either before or during the course of hearing of the appeal.”

3. At the time of hearing, ld. A.R. submitted that the order u/s. 263 upon which the consequent order/assessment order u/s. 143(3) was passed has been quashed by the Tribunal vide order dated 26-06-2023 (ITA No. 343/Srt/2022). Thus, consequent order passed u/s.143(3) of the Act does not sustain.

4. The ld. D.R. relied upon the assessment order and the order of the CIT(A).

5. We have heard both the parties and perused all the relevant material available on record. It is pertinent to note that the CIT(A) has rightly allowed the appeal of the assessee as the assessment order dated 21-03-2023 stands void ab initio in the light of quashing of order u/s. 263 of the Act by the Tribunal in ITA 343/Srt/2022 dated 26-06-2023. Hence, the appeal of the Revenue is dismissed.

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

Order is pronounced under provision of Rule 34 of ITAT
Rules, 1963 on 08-08-2025.

Sd/-
(Bijayananda Pruseth)
Accountant Member

Sd/-
(Suchitra Kamble)
Judicial Member

Ahmedabad : Dated 08/08/2025 *TRUE COPY*

आदेश की प्रतिलिपि अग्रेषित / Copy of Order Forwarded to:-

1. Assessee
2. Revenue
3. Concerned CIT
4. CIT (A)
5. DR, ITAT, Surat
6. Guard file.

By order,
Assistant Registrar,
Income Tax Appellate Tribunal,
Surat