

**IN THE INCOME TAX APPELLATE TRIBUNAL, RANCHI BENCH, RANCHI**

BEFORE SHRI GEORGE MATHAN, JUDICIAL MEMBER AND  
SHRI RATNESH NANDAN SAHAY, ACCOUNTANT MEMBER

ITA No. 134/Ran/2024

(Assessment Year: 2011-12)

M/s Aman Enterprises, 22, Park Street, Near Doranda College, Ranchi-834002 (Jharkhand) <b>PAN No. AAIFA 9921 A</b>	Vs.	D.C.I.T., Circle-1, Ranchi.
Appellant/ Assessee		Respondent/ Revenue

Assessee represented by	Sri Devesh Poddar, A.R.
Department represented by	Shri Khub Chand Pandya, Sr. DR
Date of hearing	18/08/2025
Date of pronouncement	18/08/2025

**ORDER**

**PER: BENCH**

1. This is an appeal filed by the assessee against the order of the learned CIT(A), NFAC in Appeal No. CIT(A), Ranchi/10125/2018-19 dated 23/03/2023 for the A.Y. 2011-12.
2. Shri Devesh Poddar, Id. A.R. is represented on behalf of the assessee and Shri Khub Chand Pandya, Id. Sr.DR is represented on behalf of the revenue.
3. It was submitted by the Id. AR that the impugned assessment year is A.Y. 2011-12. The original assessment in the case of the assessee came to be completed under Section 143(3) on 26/12/2013. Subsequently, notice under Section 148 came to be issued on 18/08/2017 beyond four years. It was a submission that the assessment order came to be passed under Section 144 read with Section 147 on 26/11/2018. It was a submission that the reasons recorded are at pages 3 and 4 of the paper book which reads as follows:

*During the course of scrutiny of income tax records of M/s Aman Enterprises for the A.Y. 2011-12, it has been observed that the assessee has debited a sum of ₹ 22,89,438/- to its Profit & Loss Account under the head 'Other Recovery'. However, as per the details of payment made to the assessee by HSCL, the deduction (recovery) in respect of 'Others' is of ₹ 2,48,774/- only. It is pertinent to mention here that no reconciliation statement is found attached with the record. Thus, the assessee has claimed inflated expenses under the head 'Other Recovery' to the extent of ₹ 20,40,664/- (₹ 22,89,438 - ₹ 2,48,774) which is required to be disallowed and added back to the total income of the assessee. Bases on the above facts, I have a reason to believe that an income of the assessee to the tune of ₹ 20,40,664/- pertaining to the Previous Year 2010-11 relevant to the Assessment Year 2011-12 has escaped assessment, within the meaning of Sec. 147 of the Income Tax Act, 1961."*

It was a submission that the reasons does not mention the failure on the part of the assessee to disclose truly and fully all material facts required for his assessment. It was a submission that in view of the same as the reasons recorded are violative of the proviso to Section 147, the notice issued under Section 148 and the reasons recorded is liable to be quashed. The Id. AR has filed written submissions as follows:

- "1. That the assessee company filed its ITR on 15/10/2011 declaring a total income of Rs. 25,04,700/-. Thereafter the case was selected for scrutiny and assessment was framed U/s 143(3) dated 26/12/2013 on a total assessed income of Rs. 29,83,430/- wherein various disallowances of expenses was made.*
- 2. That subsequently proceeding U/s 148 was initiated vide notice dated 18/08/2017 i.e. beyond 4 years and an order U/s 147 rws 144 was passed on 26/11/2018.*
- 3. That the legal issue which we intend to challenge is that this impugned proceedings has been initiated beyond a period of 4 years wherein an original assessment had been completed U/s 143(3) and that in the reasons recorded the Ld AO has categorically omitted to mention the failure on part of the assessee to truly and fully disclose the relevant details in its ITR at the time of original assessment. The copy of the reasons recorded is attached herewith.*

*As such, the AO has violated the provisions of section 147 and thus the proceedings initiated is itself ab-initio void.*

4. *That reliance on this issue is placed upon the following decisions*

**Commissioner of Income-tax vs. Foramer France [2003] 129 Taxman 72 (SC)/[2003] 264 ITR 566 (SC)/[2003] 185 CTR 512 (SC)[16-01-2003]**

**Gateway Leasing (P.) Ltd. vs. Assistant Commissioner of Income-tax-1(1)(2) [2020] 117 taxmann.com 442 Bombay)/[2020] 272 Taxman 255 (Bombay)/[2020] 426 ITR 228 (Bombay) [11-03-2020]**

**Madras High Court in the case of CIT Vs Tamil Nadu Transport Development Finance Corpn. Ltd. 306 ITR 136** wherein it was held that:-

*in the original assessment proceedings, the Assessing Officer had considered all the details filed by the assessee and only thereafter had completed the assessment under section 143. Based on those details and other documents filed along with the return, the assessment was completed There was no failure on the part of the assessee to disclose fully and truly all material facts. The finding by the authorities below was that the revenue had failed to prove that there was a failure on the part of the assessee to disclose any material facts necessary for assessment. Hence, they had rightly come to the conclusion that when the assessment was made under section 143(3), no action could be taken under section 147 after the expiry of four years from the end of relevant assessment year unless there was a failure on the part of the assessee to disclose fully and truly all material facts necessary for assessment.*

*In the instant case, the relevant assessment year was 1997-98 and the Assessing Officer had issued notice for reopening under section 148 on 24-6-2003, which was beyond four years after the end of the relevant assessment year. Hence, it was clearly barred by limitation under proviso to section 147. Therefore, the Tribunal was correct in its conclusion that reopening was bad in law. The concurrent finding given by both the authorities below was based on valid materials and evidences. Under those circumstances, there was no error or legal infirmity in the order of the Tribunal so as to warrant interference.*

**Google India (P.) Ltd. vs. Assistant Commissioner of Income-tax [2025] 172 taxmann.com 378 (Karnataka) [24-02-2025]**

*Where Assessing Officer issued reopening notice after period of 4 years on ground that while computing section 10A deduction, assessee allocated certain amount solely on one unit, thereby reducing taxable income and boosting profit of other units, since reasons did not indicate failure of assessee to disclose any information or that he had not disclosed true and full material facts, it was a case of mere change of opinion and, thus, such reopening was not permissible.*

*As such, in light of the above mentioned facts and case laws, we submit that the initiation of proceedings U/s 148 was itself ab-initio void and thus the assessment framed thereby is fit to be quashed.*

4. In reply, the Id. Sr.DR vehemently supported the orders of the Assessing Officer and the Id. CIT(A).
5. We have considered the rival submissions. A perusal of the facts in the present case clearly shows that in the reasons recorded, the Assessing Officer has not mentioned that there is failure on the part of the assessee to disclose truly and fully all material facts required for assessment. The reasons recorded admittedly are violative of the proviso to Section 147 in so far as an original assessment has been completed under Section 143(3) on 26/12/2013 and the notice issued under Section 148 is of 18/08/2017 admittedly which is beyond the period of four years. As it is found that the reasons recorded are violative of the provisions of the proviso to Section 147, the notice issued under Section 148 stands quashed. Consequently, the impugned assessment order also stands quashed.
6. In the result, this appeal of the assessee is allowed.

Order announced in open court on 18th August, 2025.

Sd/-  
(RATNESH NANDAN SAHAY)  
ACCOUNTANT MEMBER

Sd/-  
(GEORGE MATHAN)  
JUDICIAL MEMBER

Ranchi, Dated: 18/08/2025

*\*Ranjan*

Copy to:

1. Assessee
2. Revenue
3. CIT
4. DR
5. Guard File

By order

Sr. Private Secretary, ITAT, Ranchi