

आयकर अपीलुीय अधलकरण
दलुुी डीठ "डी", दलुुी
शुी वलकस अवसुुी, नुुीयलक सदसुु एवुं
शुी नवीन ऑदुर, लेखलकलर सदसुु के समकुष

IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH "D", DELHI
BEFORE SHRI VIKAS AWASTHY, JUDICIAL MEMBER &
SHRI NAVEEN CHANDRA, ACCOUNTANT MEMBER

आअसुं.1466/दलुुी/2025(नल.व. 2018-19)
ITA No. 1466/Del/2025(A.Y 2018-19)

Steel Will Globotech P. Ltd.,
KH No. 32/25/2/5, KH No. 35/5/1/4,
Wazirpur, Faridabad 121001,
Haryana

PAN: AAJCA-9094-Q

..... अडीललरुुी/Appellant

बनलम Vs.

Income Tax Officer,
Ward 1(4), Aayakar Bhawan, New CGO Complex,
NH-IV, B-Block, Faridabad, Haryana 121001

..... डुरतलवलदी/Respondent

अडीललरुुी दुरलरल/ Appellant by : Shri Nikhil Goyal (Through VC), &
Ms. Unnati Sadh, Advocates

डुरतलवलदीदुरलरल/ Respondent by : Shri M.S Nethrapal, CIT(DR)

सुनवलई की तलथल/ Date of hearing : 14/10/2025

घुुषणल की तलथल/ Date of pronouncement: : 14/10/2025

आदेश/ORDER

PER VIKAS AWASTHY, JM:

This appeal by the assessee is directed against the assessment order dated 16.01.2025, passed u/s. 147 r.w.s 144 r.w.s. 144B of the Income Tax Act,1961(hereinafter referred to as 'the Act').

2. Shri Nikhil Goyal, appearing on behalf of the assessee making a brief submission on the jurisdictional issue stated that the assessment order has been passed making addition solely on the ground other than for which assessment was

reopened. He pointed that the assessment was reopened for the reason that there were unexplained deposits to the tune of Rs.4,13,21,500/- in the bank account during the Financial Year 2017-18. However, no addition was made by the Assessing Officer (AO) while passing final assessment order on the reasons for which assessment was reopened. Addition was made only in respect of Transfer Pricing Adjustment on account of interest on loan advances Rs.9,03,814/-. He submitted that it is a well settled law that where no addition is made in respect of the reasons for which assessment was reopened, the addition on other grounds is unsustainable. In support of his submissions, he placed reliance on following decisions:

- i. *Ranbaxy Laboratories Ltd. vs. CIT, 12 taxmann.com 74 (Delhi); and*
- ii. *CIT vs. Jet Airways (I) Ltd., 195 Taxman 117 (Bombay).*

3. Per contra, Shri M.S Nethrapal representing the department submitted that the Dispute Resolution Panel (DRP) has granted substantial relief to the assessee and now the assessee is in appeal against the small quantum of addition of Rs.9,03,814/-. Once the assessee has got substantial relief, the appeal of the assessee is liable to be dismissed on account of smallness of the amount involved.

4. Both sides heard, orders of the authorities below examined. Notice 148A(b) of the Act was issued to the assessee on 19.03.2022 for the impugned assessment year for the following reasons:

“Show cause notice under section 148A(b) of the Income Tax Act, 1961 for the A.Y.2018-19

1. *After verification of the information available with the department, it has been noticed that you have not filed the ITR for the said assessment year.*
2. *You have made unexplained deposits to the tune of Rs. 41321500/- in the bank account during the year under consideration i.e. FY 2017-18.*

3. *Source of the aforesaid transaction is not substantiated as you have not filed any return of income for the year under consideration i.e. AY 2018-19 relevant to F. Y. 2017-18.*
4. *You are show cause as to why the notice u/s 148 may not be issued in your case to consider this amount of Rs. 41321500/- as your income for the said assessment year from unexplained sources.
Kindly furnish your reply on the query raised on or before the date mentioned in the show cause. It is kindly intimated that being time limitation matter further opportunity will not be possible to this office. Any request for adjournment will not be entertained.
This issue with the prior approval of the specified Authority.*

*SUNIL KUMAR
WARD 1(4), FBD"*

5. The assessee did not reply to the aforesaid notice. The AO passed the order u/s. 148A(d) of the Act on 31.03.2022 and on the same date issued notice u/s. 148 of the Act. In the order passed u/s. 148A(d) of the Act, the AO reiterated the reason for reopening the assessment i.e. unexplained credit of Rs. 4,13,21,500/- in the bank account. The Assessing Officer on 29.02.2024 passed the draft assessment order u/s. 144C(I) of the Act making addition on two counts i.e. (i) interest on loan advanced, and (ii) investment in shares. Both the aforesaid additions were made in respect of the variation proposed by TPO vide order dated 30.01.2024 passed u/s. 92CA(3) of the Act. The assessee filed objections against the said draft assessment order before the Dispute Resolution Panel (DRP). The DRP vide directions dated 30.11.2024 granted part relief to the assessee and sustained addition with respect to interest on loan advances to the extent of Rs.9,03,814/-. We find that the said addition does not emanate from the reasons recorded for reopening. It is no more *res integra* that where no addition is made in the assessment order for which reasons were recorded for reopening, such reopening is bad in law. The Hon'ble Bombay High Court in the case of CIT vs. Jet Airways (I) Ltd. (supra) held that:

“16. Section 147 has this effect that the Assessing Officer has to assess or reassess the income ("such income" which escaped assessment and which was the basis of the formation of belief and if he does so, he can also assess or reassess any other income which has escaped assessment and which, comes to his notice during the course of the proceedings. However, if after issuing a notice under section 148, he accepted the contention of the assessee and holds that the income which he has initially formed a reason to believe had escaped assessment, has as a matter of fact not escaped assessment, it is not open to him independently to assess some other income. If he intends to do so, a fresh notice under section 148 would be necessary, the legality of which would be tested in the event of a challenge by the assessee.”

6. A similar view has been taken by the Hon'ble Jurisdictional High Court in the case of Ranbaxy Laboratories Ltd. vs. CIT (supra) holding that where in reassessment proceedings u/s. 147 of the Act addition has been made **only** on the ground other than for which the AO had reasons to believe for reopening of assessment, such addition is unsustainable.

7. In the result, ground nos. 3 to 6 of appeal are allowed.

8. In ground no. 1 & 2 of appeal, the assessee has assailed validity of the proceedings u/s. 147 of the Act and validity of assessment order on the ground of limitation. Since no submissions were made on ground no. 1 & 2 of appeal at this stage, the same are left open.

9. In the result, appeal of the assessee is allowed.

Order pronounced in the open court on Tuesday the 14th day of October, 2025.

Sd/-

(NAVEEN CHANDRA)

लेखाकार सदस्य/ACCOUNTANT MEMBER

Sd/-

(VIKAS AWASTHY)

न्यायिक सदस्य/JUDICIAL MEMBER

NV/-

प्रतिलिपि अग्रेषित Copy of the Order forwarded to :

1. अपीलार्थी/The Appellant ,
2. प्रतिवादी/ The Respondent.
3. The PCIT/CIT(A)
4. विभागीय प्रतिनिधि, आय.अपी.अधि., दिल्ली /DR, ITAT, दिल्ली
5. गार्ड फाइल/Guard file.

BY ORDER,

//True Copy//

(Asstt. Registrar) ITAT, DELHI