

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH, G: NEW DELHI**

**BEFORE SHRI CHALLA NAGENDRA PRASAD, JUDICIAL  
MEMBER  
AND  
SHRI BRAJESH KUMAR SINGH, ACCOUNTANT MEMBER**

**ITA No.-4776/Del/2024  
[Assessment Year: 2012-13]**

Surinder Kumar Chhabra, 280 P Sector 15, Part-I, Gurugram (Haryana), 122001.	Vs	ACIT, Circle-4(1), Gurugram.
<b>PAN- ABDPC1477F</b>		
Assessee		Revenue

Assessee by	Shri Ram Kumar Gupta, CA
Revenue by	Shri Manish Gupta, Sr. DR

<b>Date of Hearing</b>	<b>31.07.2025</b>
<b>Date of Pronouncement</b>	<b>24.10.2025</b>

**ORDER**

**PER BRAJESH KUMAR SINGH, AM,**

This appeal by the Assessee is directed against the order of the National Faceless Appeal Centre (NFAC), Delhi, [hereinafter referred to as the 'Ld. CIT(A)] dated 26.09.2024 pertaining to Assessment Year 2012-13, arising out of Assessment order dated 09.12.2019 under Section 147/143(3) of the Income-tax Act, 1961(hereinafter

referred to as 'the Act') passed the Ld. Assistant Commissioner of Income Tax, Circle 4(1), Gurugram, (Ld. AO', for short).

1.1 The assessee has raised the following grounds of appeal:

*“ 1. The CIT (Appeals) erred in disallowing genuine business expenses or purchase of goods from various suppliers of Rs. 3482667 without adequate justification, thereby increasing the total taxable income of the appellant.*

*2. The order passed by the CIT (Appeals) is in violation of natural justice, as it failed to consider relevant evidence and documents submitted by the appellant.*

*3. The CIT (Appeals) has not taken into account the submissions and legal precedents provided. leading to an incorrect assessment order.”*

2. Brief facts of the case are that: As per information available with the AO the assessee had under reported its income by claiming bogus expenses by taking accommodation entries, in F.Y. 2011-12 relevant to A.Y. 2012-13, by entering into financial transactions amounting to Rs. 34,82,667/- with the bogus entities of Sh. Pritam Singh, which according to the AO Rs. 34,82,667/- had escaped assessment. Accordingly, the AO reopened the case after taking necessary approval from the Pr. Commissioner of Income Tax Act, Gurgaon vide its letter dated 29.03.2019 and issued notice under section 148 of the I.T. Act. In

response to the notice u/s 148, the assessee e-filed his original ITR for the AY 2012-13 on 27.04.2019 declaring a total income of Rs. 5,38,58,140/-. Upon the assessee's request, a copy of the reasons recorded for re-assessment u/s 147 of the Act were provided to the assessee vide letter dated 14.05.2019. During the course of assessment proceedings, according to the AO, the genuineness of the transaction amounting to Rs. 34,82,667/- was not proved by the assessee and, the AO made an addition of Rs. 34,82,667/- by treating it as unexplained expenditure in the books of the assessee and taxed it u/s 69C of the Act, 1961.

3. Aggrieved, the assessee preferred an appeal before the learned CIT(A).

4. Before the Ld. CIT(A), the assessee in its submission dated 05.01.2022 contended as under:

*“Submission dated 05.01.2022*

- 1. No facts have been concealed by the assessee or no failure on part of assessee and assessment u/s 143 of the Act has already been made for the FY 2012-13, no re-assessment should be done beyond 4 years.*
- 2. No live link available with the AO as the AO believed only on the report of investigation.*
- 3. No opportunity of Cross Examination has been provided even specifically requested by the assessee.*

*4. No fresh evidence or concrete evidence on record brought by the AO.*

*5. Reassessment only on the basis of third party statement after considering the aforesaid facts and circumstances, re-assessment proceedings u/s 147 of the Act is bad in law and same is liable to be quashed and addition made by the AO is against the provisions of the Act, bad in law, not justifiable and to be deleted. Detailed submissions attached herewith.”*

5. The Ld. CIT(A) dismissed the appeal of the assessee by observing in para no. 5 to 5.4 of his order, which is reproduced as under:

*“ 5. DETERMINATION:-*

*5.1 All the grounds i.e. 1, 2 and 3 are common in nature wherein the appellant has mentioned that the AO has not allowed the expenditure incurred and payment made to the M/s Jai Shiv Enterprises.. Therefore, these grounds are taken up together for adjudication.*

*5.2 I have considered the facts of the case, contention of the appellant, assessment order and material available on record. It is inferred that the present assessment has been reopened after 4 years for the end of A.Y. 2012-13, as there was a failure on the part of appellant to fully disclosed all the information & material at the time of filing of return of income. Accordingly, the AO was correct in issuing notices under section 148 of the Act on the basis of information received from investigation wing. It was clearly established that the appellant has taken accommodation entry from Jai Shiv Enterprises which were not revealed or disclosed by the appellant by filing of return of income. This evidence has been further corroborated from the statement recorded on oath during the investigation made by the DDIT (Inv.)-1, Faridabad in respect of the suspicious transactions report in cases of M/s P.S. Enterprises, M/s Kashyap Trading Co., & M/s Nisha Traders that bank accounts of M/s Jai Shiv Enterprises and many other bogus entities were used only for fund layering. Thus, the assessee was asked to provide the details of purchases made*

*with M/s Jai Shiv Enterprises along with the ITR, Balance Sheet of the above entity for the year under consideration.*

*5.3 The information so obtained from the investigation wing were further analyzed by the AO to conducted field enquiry by deputing Income Tax Inspector and therefore, informed the reasons to believe at the time of issuing of notice u/s 148.*

*5.4 Based on the above discussion and analysis of facts and information it is proved beyond doubt that there was live and organic like between information received and analysis reason to believe formed by the AO after satisfying himself about the issue within the provision of 148/147/149 of the Act. In several decision, the Courts including the Apex Court ruled that unlike in Criminal Law, the right to get opportunity to cross examine is not a cardinal right. Therefore, the plea of the appellant is dismissed.”*

6. The learned AR relied upon submissions made before the Ld. CIT(A) and submitted that the order of the Ld. CIT(A) is non-speaking and without giving adjudicate opportunity of being heard.

7. On the other hand, the Ld. Sr. DR supported the order of the authorities below.

8. We have heard both the parties and perused the material available on record.

8.1 On perusal of the order of the ld. CIT(A), it is seen that the same is a non-speaking order. The Ld. CIT(A) has not brought on record how the evidences filed by the assessee were unreliable and

more importantly as to how the transactions held to be accommodation entry by the AO was justified by the evidences/ material brought on record and discussed by the AO in the assessment order. Further, the Ld. CIT(A) has not given proper justification as to why in the present case, no cross-examination was required despite a specific request for cross-examination was made by the assessee

8.2 In view of the above, we find that the order passed by the Ld. CIT(A) is not sustainable. Accordingly, in the interest of justice, we set aside the impugned order of the Ld. CIT(A) and restore the matter to his file for fresh adjudication in accordance with law, after affording due opportunity of being heard to the assessee. Further, the assessee will be at liberty to support any evidence / explanation in support of its claim.

9. In the result, appeal of the assessee is allowed for statistical purposes.

Order pronounced in the open court on 24<sup>th</sup> October, 2025.

**Sd/-**  
**[CHALLA NAGENDRA PRASAD]**  
**JUDICIAL MEMBER**

**Sd/-**  
**[BRAJESH KUMAR SINGH]**  
**ACCOUNTANT MEMBER**

**Dated** 24.10.2025.  
Pooja.

Copy forwarded to:

1. Assessee
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asst. Registrar,  
ITAT, New Delhi,