

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

**BEFORE SHRI S RIFAUR RAHMAN, ACCOUNTANT MEMBER
AND SHRI VIMAL KUMAR, JUDICIAL MEMBER**

ITA No. 343/Del/2025
Assessment Year: 2014-15

M/s. Quasar India Limited, 101, First Floor, Baroda Tower, Central Market, Prashant Vihar, ROHINI, DELHI-1100 85.	Vs.	Assessment Unit-NFCA, Income Tax Department, ACIT, Circle 19(1), Delhi
PAN :AAACQ0219Q		
(Appellant)		(Respondent)

Assessee by	Shri Rishabh Ostwal, Adv. Adv. & Shri Deepak Ostwal, Advs.
Department by	Shri Rajesh Kumar Dhanesta, Srr. DR

Date of hearing	28.08.2025
Date of pronouncement	26.11.2025

ORDER

PER VIMAL KUMAR, JUDICIAL MEMBER:

The appeal filed by the assessee is against order dated 02.12.2024 of Learned Commissioner of Income Tax (Appeals)/National Faceless Assessment Centre (NFAC), Delhi (hereinafter referred as "the Ld. CIT(A)") under Section 250 of the Income Tax Act, 1961 (hereinafter referred as "the Act") arising out of Order dated 29.05.2023 of the Learned Assessment Officer/National Faceless

Assessment Centre (NFAC), Delhi (hereinafter referred as “the Ld. AO”) under Sections 147 r.w.s. 144B of the Act for assessment year 2014-15.

2. Brief facts of the case are that the assessed, during the financial year 2013-14, assessee was involved in bogus sale transactions of Rs.1,17,95,000/- with the M/s Rishab Trading Company. Therefore, the said amount remained undisclosed in the hands of the assessee and to be taxed as per the income tax law. Following is detail of opportunities were given:

Type of communication	Date of notice/communication	Date of compliance given	Response of the assessee received not received	Date of response if received	Response type (Full/Part/Adjournment)	Remarks, if any
U/s 148	28.07.2022	30 days from service this notice	Received	23.08.2022	-	-
U/s 142(1)	13.02.2023	28.02.2023	Received	06.03.2023	-	-
U/s 142(1)	07.04.2023	14.04.2023	Received	14.05.2023	-	-
U/s 142(1)	20.04.2023	24.04.2023	Received	14.05.2023	-	-
Notice u/s.143(2)	27.04.2023	01.05.2023	Received	14.05.2023	-	-
U/s 142(1)	02.05.2023	05.05.2023	Received	14.05.2023	-	-
U/s 142(1)	07.05.2023	09.05.2023	Received	16.05.2023	-	-
Show-cause-notice	11.05.2023	15.05.2023	Received	20.05.2023	-	-
U/s 142(1)	16.05.2023	17.05.2023	Received	16.05.2023	-	-
U/s 142(1)	18.05.2023	19.05.2023	Received	19.05.2023	-	-
Video conference	22.05.2023	24.05.2023 12.00 PM	Not attended	-	-	-
Show-cause-notice	24.05.2023	26.05.2023	Received	20.05.2023	-	-
Video Conference	26.05.2023	27.05.2023	Not attended	-	-	-

Subsequently, the case was assigned to this office for assessment proceedings under Faceless Assessment Scheme of the department. Notices under Section 142(1) of the Act was issued to the assessed from time to time and has given full

opportunities for furnishing response. On completion of assessment proceeding, Ld. AO vide order dated 29.05.2023 made addition of Rs.1,17,95,000/-.

3. Against order dated 29.05.2023 of Ld. AO, appellant/assessee preferred appeal before Ld. CIT(A) which was dismissed vide order dated 02.12.2024.

4. Being aggrieved, the appellant/assessee preferred present appeal with following grounds:

“1. On the facts and circumstances of the case, CIT (A) erred in upholding the impugned order passed by the respondent, ex-Parte without appreciating the fact that the notice sent on email was in dump/update/spam mail box and also without any message alert, hence AR could not make submissions on facts as well as on law in absence of knowledge of the notice.

2. On the facts and circumstances of the case, CIT (A) NFAC erred in upholding the impugned Assessment Order passed by the respondent by initiating reassessment proceedings u/s 147/ 148 merely because he felt that he failed to do what he has ought to have done i.e. to issue of notice u/s 143(2) for normal scrutiny assessment.

3. On the facts and circumstances of the case, the notice issued u/s 148 is barred by limitation apart from being without jurisdiction in terms of the order of Hon'ble Supreme Court of India in the case of Union of India & Ors. Vs. Rajeev Bansal (Appeal No 8629 of 2024).

4. On the facts and circumstances of the case, CIT (A) NFAC erred in upholding the impugned order passed by the respondent in framing impugned assessment order without assuming jurisdiction as per law, as the approval u/s 151 of the income tax act was never taken/provided by him neither for the Notice issued u/s 148 under repealed Act nor under the present Act 2021, after being repeatedly asked by the assessee and therefore the SCN u/s 148A(b) and order passed u/s 148A(d) is illegal and without jurisdiction liable to be quashed and consequently all the subsequent proceedings is void-ab-intio and illegal.

5. On the facts and circumstances of the case, CIT (A) NFAC erred in upholding the impugned order passed by the respondent in framing

impugned assessment order without assuming jurisdiction as per law and without complying with the mandatory conditions of section 147 to 153 of the Income Tax Act, 1961 and reopening of the case is bad in law and beyond the jurisdiction of the Ld. A.O.

6. On the facts and circumstances of the case, CIT (A) NFAC erred in upholding the impugned order passed by the respondent which was passed without complying with the mandatory requirements of section 148A(b) in compliance with the order of Hon'ble Supreme Court in the matter of Ashish Agarwal to provide material and documents relied upon and therefore, the order passed u/s 148A(d) is illegal and without jurisdiction liable to be quashed and consequently all the subsequent proceedings are void- ab- intio and illegal.

7. On the facts and circumstances of the case, CIT (A) NFAC erred in upholding the impugned order passed by the respondent without giving an opportunity of cross examination of all the person(s) named in the so called report hence against the natural justice liable to be quashed.

8. On the facts and circumstances of the case, CIT (A) NFAC erred in upholding the impugned order passed by the respondent without providing any supporting documents to prove what is alleged to the appellant which is clearly against the natural justice hence liable to be quashed.

9. On the facts and circumstances of the case, CIT (A) NFAC erred in upholding the impugned order passed by the respondent without providing effective opportunity of virtual hearing which is against the natural justice, Hence such illegal order passed with predetermined negative mind wherein none of the submission was considered and no opportunity is given to being heard is liable to be quashed.

10. That having regard to the facts and circumstances of the case, CIT (A) NFAC erred in upholding the impugned order passed by the Respondent without giving/serving upon the assessee a Draft Assessment order and without complying with the mandatory conditions of Clause (xxi) of Section 144B, hence the illegal assessment order passed without providing a draft assessment order is bad in law and liable to be quashed.

11. On the facts and in the circumstances of the case, CIT (A) NFAC erred in upholding the impugned order passed by the respondent in making the addition of Rs. 1,17,95,000/- u/s 68 of the Act by treating

sales already shown by the appellant company as income in audited financials as unexplained cash credit within the meaning of Section 68 and by making double additions of Rs 1,17,95,000/- already included in the turnover of that AY which is clearly illegal and against the spirit of law hence liable to be deleted and declared as non-est in law.

12. On the facts and in the circumstances of the case, CIT (A) NFAC erred in upholding the impugned order passed by the respondent in concluding the assessment mechanically by just copying the data and pasting the same in the illegal order and replacing the pre drafted order from the reply of the SCN without applying his own mind which is illegal and void-ab-initio liable to be quashed.

13. The CIT (A) has also erred in upholding the illegal demands of tax as well as interest and penalty erroneously raised by the AO and upheld by him and the entire illegal demands of tax as well as interest and penalty must be set aside and quashed as unsustainable both on facts and in law.

14. That the appellant craves the leave to add, modify, amend or delete any of the grounds of appeal at the time of hearing and all the above grounds are without prejudice to each other.”

5. Learned Authorized Representative for appellant/assessee submitted that notice under Section 148 dated 24.05.2021 was issued. TOLA period ended on 30.06.2021. Show-cause-notice under Section 148A of the Act was issued on 28.05.2022. Reply dated 09.06.2022 was submitted by the assessee. The last date of issuance of notice under Section 148 of the Act was submitted on 17.07.2022. The date of notice under Section 148 of the Act was 28.07.2022. Therefore, the notice was beyond surviving period of 38 days from the date of assessee's reply dated 09.06.2022. Notice is barred by limitation. In order dated 28.04.2025 in WP(C) 4195/2025, CM Nos. 19446/2025 & 19447/2025 titled as

“GSM Auto Spares Pvt. Ltd. Vs. Assessment Unit of Hon'ble High Court of Delhi” has held as under:

“3. The petitioner has filed the present petition, inter alia, impugning an order dated 23.03.2025 [**impugned order**] passed by the Assessing Officer [AO] on the ground that it has been passed in violation of the judgments rendered by the Supreme Court in **Union of India & Ors. v. Rajeev Bansal: 2024 INSC 754** and by this court in **Ram Balram Buildhome Pvt. Ltd. v. Income Tax Officer and Anr.: Neutral Citation No.: 2025:DHC:547-DB**.

4. The petitioner had filed its return of income dated 30.09.2014 for Assessment Year [AY] 2014-15 declaring a total income of 864,77,780/-.

5. A notice under Section 148 of the Income Tax Act, 1961 [Act] was issued by the AO on 30.06.2021 seeking to initiate reassessment proceedings in respect of AY 2014-15. The said notice was issued under the provisions relating to reassessment, as were in force prior to 31.03.2021. Similar notices were set aside by this court in terms of its decision dated 15.12.2021 in [**Mon Mohan Kohli v. Assistant Commissioner of Income Tax & Anr.: Neutral Citation No.: 2021:DHC:4181-DB**.] However, subsequently in an appeal preferred against the decision rendered by the Allahabad High Court taking a similar view, the Supreme Court in **Union of India & Ors. v. Ashish Agarwal: (2023) 1 SCC 617** issued certain directions under Article 142 of the Constitution of India. The Court directed that that the notices issued after 01.04.2021 till the date of the said decision (i.e. 04.05.2022), under the unamended provisions of Sections 147-151 of the Act and without following the procedure prescribed under Section 148A of the Act, would be construed as notices issued under Section 148A(b) of the Act. The AOs were also directed to provide the information and material to the assessee on the basis of which the said notices were premised, within a period of thirty days.

6. In the present case, the AO issued the notice dated 15.05.2022 under Section 148A(b) of the Act for complying with the said direction and petitioner responded to the same by communications dated 01.06.2022 and 21.06.2022.

7. The AO passed an order under Section 148A(d) of the Act on 22.07.2022 and issued a notice dated 23.07.2022 under Section 148 of the Act.

8. Concededly, the said notice is beyond the period of limitation as held by this court in **Ram Balram Buildhome Pvt. Ltd. v. Income Tax Officer and Anr.** (supra).

9. The petitioner also challenged the said notice by filing a writ petition being W.P.(C) No.5869/2023 on several grounds, including that the notice was barred by limitation. The said petition along with a batch of petitions was disposed of by a Coordinate Bench of this court on 04.02.2025 [**Kanwaljeet Kaur v. Assistant Commissioner of Income Tax Circle (34) 1 Delhi & Ors. & other connected matters: Neutral Citation No.: 2025:DHC:656-DB**] by directing the AO to examine various grounds including the ground that the notices issued under Section 148 of the Act, which were impugned in those petitions, in the light of various decisions that were rendered by this

court on various grounds of challenge. The relevant extract of the said decision is set out below:

"26. Having identified the broad principles which would now expedient to frame directions requiring the AOs to frame an order with respect to the individual reassessment notices in light of the judgment of the Supreme Court in *Rajeev Bansal* and of this Court in *Ram Balram, T.K.S Builders, Abhinav Jindal and Naveen Kumar Gupta*.

27. We accordingly dispose of this batch of writ petitions by directing the concerned AOs to evaluate the individual SCNs' under Section 148 of the Act bearing in mind our judgments in *T.K.S. Builders, Abhinav Jindal and Naveen Kumar Gupta*. These decisions have conclusively settled issues pertaining to the accordal of sanction under Section 151 as well as the authority of the jurisdictional AO to commence and undertake reassessment. Those decisions also lay at rest the challenge which the writ petitioners had raised that an AO is bound to adhere to the procedure prescribed by Section 153C in cases emanating from a search.

28. A similar exercise would have to be undertaken to examine the issue of surviving period in respect of each individual noticee under Section 148 and which would necessarily be guided by the judgments of *Rajeev Bansal* and *Ram Balram*.

29. The concerned AOs shall consequently pass a reasoned and speaking order dealing with the impact of the judgments referred to above upon the impugned reassessment notices and in the manner indicated in paras 27 and 28 of this order. That decision shall thus render a finding on whether the impugned reassessment notices would survive or be liable to be recalled. It shall be open to the writ petitioners to assail any adverse orders that may come to be passed pursuant to the above in accordance with law.

30. In order to facilitate the aforesaid exercise, we accord liberty to the writ petitioners to file written submissions before their respective AOs within a period of three weeks from today and which shall be duly taken into consideration before passing orders in terms of our aforementioned directions.

32. We further observe that many of the writ petitioners have raised various factual and additional contentions in support of the challenge to the reassessment action. However, we have heard respective sides solely in respect of the issues that we had flagged in our order of 05 August 2024."

10. Concededly, the issue involved in the present petition is squarely covered by the decision of this court in ***Ram Balram Buildhome Pvt. Ltd. v. Income Tax Officer and Anr.*** (supra). Notwithstanding the same, the AO has proceeded to pass an order in complete disregard of the express directions of this court.

11. In view of the above, the present petition is allowed and the impugned order dated 23.03.2025 is set aside.”

6. Learned Authorized Representative for the Department of Revenue submitted that information was supplied by Ld. AO as per order of Hon'ble Supreme Court in the case of **Ashish Aggarwal** on 28.05.2022 and two weeks' time was granted to assessee to file reply which was expiring on 12.06.2022. Therefore period from 24.05.2021 to 12.06.2022 is not to be considered. The reassessment notice under Section 148 dated 28.07.2022 does not survive, the surviving time limit affixed by Hon'ble Apex Court in case of Rajiv Bansal.

7. From examination of record in light of aforesaid rival contentions, it is crystal clear that notice under Section 148 of the Act is dated 24.05.2021. TOLA period ended on 30.06.2021. Show-cause-notice under Section 148 of the Act dated 28.05.2022 and date of reply of assessee is 09.06.2022. The valid date of notice under Section 148 of the Act was 17.07.2022. Therefore, notice under Section 148 dated 28.07.2022 as per of Hon'ble Supreme Court in the case of Ashish Aggarwal. Reference to judgment in “GSM Auto Spares Private Ltd. vs. Assessment Unit”, is important. In view of above material facts, impugned orders dated 29.05.2023 of Ld. AO dated 02.12.2024 of Ld. CIT(A) are set aside. Grounds of appeal nos. 3, 4 and 6 are allowed. Grounds of appeal nos. 1, 2 and 5, 7 to 14 being consequential in nature and do not require any adjudication.

8. In the result, the appeal filed by the assessee is allowed.

Order pronounced in the open court on 26th November, 2025.

Sd/-

**(S RIFAUR RAHMAN)
ACCOUNTANT MEMBER**

Sd/-

**(VIMAL KUMAR)
JUDICIAL MEMBER**

Dated: 26th November, 2025.
Mohan Lal

Copy forwarded to:

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

Asst. Registrar, ITAT, New Delhi