

**INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH "A": NEW DELHI  
BEFORE SHRI C. N. PRASAD, JUDICIAL MEMBER  
AND  
SHRI M. BALAGANESH, ACCOUNTANT MEMBER**

ITA No. 4773/Del/2024  
(Assessment Year: 2017-18)

Amit Singhal, D-11, East Azar Nagar, Krishna Nagar, Delhi	Vs.	NFAC, Delhi
(Appellant)		(Respondent)
<b>PAN: CBPPS5949N</b>		

Assessee by :	Ms. Manju Goyal, CA Shri B. L. Gupta, Adv
Revenue by:	Shri Ajay Kumar Arora, Sr. DR
Date of Hearing	16/09/2025
Date of pronouncement	10/12/2025

O R D E R

**PER M. BALAGANESH, A. M.:**

1. The appeal in ITA No.4773/Del/202 for AY 2017-18, arises out of the order of the Id National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as 'Id. NFAC', in short] dated 19.07.2024 against the order of assessment passed u/s 147 r.w.s. 144 of the Income-tax Act, 1961 (hereinafter referred to as 'the Act') dated 26.03.2022 by the Assessing Officer, AO, Delhi-Ward-66(7), Delhi (hereinafter referred to as 'Id. AO').
2. At the outset, the appeal filed by the assessee before us is delayed by 27 days. Considering the reasons adduced in the condonation petition, in the interest of substantial justice, we deem it fit to condone the delay and admit the appeal of the assessee for adjudication.

3. Though the assessee has raised several grounds both on law and as well as on facts, the crucial issue to be decided is as to whether the Id CIT(A) was justified in confirming the assessment when no notice u/s 143(2) of the Act was issued by the Id AO after the filing of return of income by the assessee. This goes to the root of the matter and hence, we deem it fit to address the same first.

4. We have heard the rival submissions and perused the material available on record. The return of income for AY 2017-18 was filed by the assessee on 25.10.2017 electronically declaring total income of Rs. 6,74,540/-. This income tax return acknowledgement is enclosed in page 34 of the Paper Book. Based on the information that assessee had deposited some cash of Rs. 1 crore in the bank account, the assessment of the assessee stood reopened by issuance of notice u/s 148 of the Act on 31.03.2021. The Id AO in para 2 of the reassessment order had observed that assessee did not file income tax return in response to notice u/s 148 of the Act. Notice u/s 142(1) of the Act stood issued to the assessee on 15.11.2021, 13.12.2021, 21.12.2021 and 31.01.2022. The assessee vide reply dated 23.01.2022 along with computation of income and ledger of bank book of Bank of India submitted that assessee had indeed filed return of income for AY 2017-18 on 07.10.2021 itself in response to notice u/s 148 of the Act and enclosed a copy of acknowledgement thereon. The assessee stated that he is a proprietor of M/s. Shiva Jewellers involved in wholesale & retail trading of bullion. The assessee denied of any dealings carried out with the entity namely M/s. Jai Lakshmi Products as mentioned in the reasons. The Id AO at page 3 para 3 of the reassessment order observed that on perusal of the return filed it is found that assessee did not file any valid return in compliance to notice u/s 148 as the said return was not e-verified. The assessee had filed evidence before the Id AO that the return

filed in response to notice u/s 148 of the Act had been duly e-verified on 22.02.2022 and furnished the evidences in this regard which are enclosed at pages 34-35 of the Paper Book. The Id AO ignoring this fact proceeded to conclude that assessee has not filed valid return of income and accordingly the assessment is completed u/s 144 based on the information available on record and proceeded to make an addition of Rs. 1 crore u/s 69A r.w.s. 115BBE of the Act and completed the assessment on 26.03.2022.

5. In this entire reassessment order, there is absolutely no whisper or mention about the issuance of notice u/s 143(2) of the Act by the Id AO. The assessee specifically raised the ground before the Id CIT(A) vide ground No. 5 regarding the failure to issue notice u/s 143(2) of the Act. The Id CIT(A) also endorsed the same view taken by the Id AO that assessee had not filed any valid return and hence there was no requirement to issue notice u/s 143(2) of the Act and dismissed the said ground No. 5 raised before him. On merits, the Id CIT(A) upheld the action of the Id AO.

6. On perusal of the orders of the Id AO and Id CIT(A), it is not in dispute that notice u/s 143(2) of the Act was not issued at all for AY 2017-18 by the Id AO. We find that the assessee had indeed filed a valid return on 07.10.2021 itself in response to notice u/s 148 of the act and had duly e-verified the same on 22.02.2022. Further, on perusal of page 5 of the reassessment order, we find that the Id AO had started the computation of income from the income as per ITR filed in the sum of Rs. 6,74,540/-. This goes to prove that the Id AO had indeed taken cognizance of the fact that the assessee had filed a valid return. The lower authorities had grossly erred in observing that there was no valid return filed by the assessee for the purpose of issuance of notice u/s 143(2) of the Act whereas for the purpose of computation of income, the assessee had filed a valid return. This

divergent stand taken by the lower authorities cannot be appreciated. Non issuance of notice u/s 143(2) of the Act would become fatal to the entire assessment proceedings. Reliance in this regard is placed on the decision of the Hon'ble Supreme Court in the case of CIT v. Laxman Das Khandelwal reported in 108 taxmann.com 183 (SC). Respectfully following the same, we have no hesitation to quash the entire reassessment proceedings framed herein for AY 2017-18. Since, the entire reassessment is quashed, the adjudication of other legal and factual grounds raised by the assessee became academic in nature and they are left open.

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

Order pronounced in the open court on 10/12/2025.

-Sd/-  
**(C. N. PRASAD)**  
**JUDICIAL MEMBER**

-Sd/-  
**(M. BALAGANESH)**  
**ACCOUNTANT MEMBER**

Dated: 10/12/2025  
A K Keot

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

ASSISTANT REGISTRAR  
ITAT, New Delhi