

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

**BEFORE SHRI MAHAVIR SINGH, HON'BLE VICE-PRESIDENT  
&  
MRS. RENU JAUHRI, HON'BLE ACCOUNTANT MEMBER**

ITA No. 4347/DEL/2025; Assessment Year: 2018-19

<b>LDM Agro Foods Pvt. Ltd</b> F-1689, DSIDC Narela New Delhi- 40	Vs	<b>DCIT</b> Circle 13(1), CR Building
(APPELLANT)		(RESPONDENT)
PAN No. AACCL4923G		

Assessee by : Shri R S Singhavi, CA  
Shri Rajat Garg, CA  
Shri Satyajit Goyel, CA

Revenue by : Shri Ajay Kumar Arora, Sr. DR

Date of Hearing: 07.01.2026	Date of Pronouncement: 29.01.2026
-----------------------------	-----------------------------------

**ORDER**

**PER RENU JAUHRI :**

The above captioned appeal is preferred by the assessee against the order dated 11.06.2025, passed by Ld. CIT(A)/NFAC, Delhi u/s 250 of the Income Tax Act, 1961 (hereinafter referred to as, "Act") for A.Y. 2018-19.

2. The assessee has raised multiple grounds of appeal which are reproduced as below:

*"1.1 That on the facts and circumstances of the case, the CIT(A) has erred in upholding the addition of Rs. 1,24,89,146/- and deciding*

*the appeal ex-parte without affording proper and reasonable opportunity of being heard in violation of the principles of natural justice.*

- 1.2 That the CIT(A) has acted arbitrarily in deciding the appeal ex-parte without ensuring service of any physical or effective notice of hearing, thereby depriving the Appellant of its right to present its case.*
- 2.1 That on the facts and circumstances of the case, the Assessing Officer was not justified in issuing the Notice u/s 148A(b) and subsequently passing the Order u/s 148A(d) of the Income Tax Act, 1961 without furnishing the information or material forming the basis of the reassessment proceedings to the Appellant Company, thereby depriving the Appellant of its right to submit the objections.*
- 2.2 That the Notice issued u/s 148A(b) being vague and devoid of any reference to the alleged information, the action of the A.O. in passing the 148A(d) Order is illegal and resulted in gross violation of the principles of natural justice.*
- 2.3 That the approval by the PCIT granted while passing the Order u/s 148A(d) of the Act is illegal and accorded in mechanical manner without due application of mind.*
- 3.1 That on the facts and circumstances of the case, the initiation of re-assessment proceedings is merely on the basis of information received from investigation wing and in absence of any independent application of mind or enquiry, the reopening u/s 148 is wholly based on borrowed satisfaction and is not sustainable for want of tangible/adverse material.*
- 3.2 That information from investigation wing per se does not constitute tangible material and there being no other adverse material on record, the reopening u/s 148A is not sustainable on facts and under the law.*
- 3.3 That no addition having been made on the basis of the allegations forming the foundation of the order u/s 148A(d), the Assessing Officer's action in making additions beyond such information is without jurisdiction and unsustainable in law.*

- 3.4 That the allegation of non-genuine purchases of Rs. 1,24,89,146/- being based purely on surmises and conjectures and in absence of any independent enquiry/investigation, the entire basis of reopening is mechanical and bad in law.*
- 4.1 That on the facts and circumstances of the case, the CIT(A) was not justified in confirming the disallowance of Rs. 1,24,89,146/- made u/s 37(1) of the Income Tax Act, 1961 on the alleged ground of non-genuine purchases, without properly appreciating the totality of facts and in complete disregard of the documentary evidence placed on record.*
- 4.2 That statement of Sh. Sumit as referred to in the Re-Assessment order having been recorded at the back of the Appellant Company is of no relevance and have no evidentiary value for want of proper opportunity for cross-examination.*
- 4.3 That the disallowance of purchases from M/s Om Trading Co., without rejection of the audited books of account u/s 145 of the Act and without pointing out any discrepancy or infirmity in the sales or purchases, is mechanical, arbitrary, and unsustainable in law.*
- 4.4 That the genuineness of purchases is also supported from GST Returns and as such treating the same as non-genuine is contradictory and self-defeating.*
- 4.5 That even otherwise, the Assessing Officer having accepted the corresponding sales of same goods, the action of the Assessing Officer in treating the related purchases as bogus is highly arbitrary and misconceived.*
- 4.6 That in fact, the purchases made from Sh. Sumit and other concerns having been accepted by the Revenue in the reassessment proceedings for the subsequent A.Y. 2019-20, there remains no valid basis to doubt the purchases for the year under consideration.*
- 5 That disallowance of Rs. 1,24,89,146/- as made in the orders passed by the lower authorities are not justified on facts and same are bad in law.*

*6 That the Appellant craves leaves to add, alter, amend, and forego any of the grounds of appeal at the time of hearing and to submit any other evidence as may be necessary for judicious adjudication of issue in dispute.”*

3. The assessee has taken numerous legal grounds besides agitating the order of Ld. AO on merits. Therefore, we, first take up the Grounds on merits i.e., No. 4 & 5.

3.1 Brief facts are that the assessee filed return for A.Y. 2018-19 on 23.09.2018 declaring income of Rs. 16,40,510/-. Subsequently, on receipt of information regarding bogus accommodation entries taken by the assessee, notice u/s 148A(b) was issued on the ground that the transactions amounting to Rs. 1,20,25,868/- represented bogus purchases from M/s Madan Lal Madho Prasad and Kalki Trading Company. As no response was received to the show cause notice dated 12.03.2022, Ld. AO passed an order u/s 148A(d) and also issued notice u/s 148 on the ground that income amounting to Rs. 1,20,25,868/- had escaped assessment. Subsequently, assessment was finalized vide order u/s 147 r.w.s 144B dated 23.03.2023, after making an addition of Rs. 1,24,89,146/- on account of disallowance of bogus purchases from M/s Om Trading Co. u/s 37(1) of the Act.

3.2 Before us, Ld. AR has submitted that the ground on which reopening was made pertained to bogus accommodation entries taken from the following entities:

<b>NAME</b>	<b>AMOUNT</b>	<b>REMARKS</b>
Madanlal Madho Prashad	201677	Bogus purchases made by entry operator
Kalki Trading Company	135045	Bogus purchases made by entry operator
LDM Agro Foods Pvt. Ltd.	11689146	Unexplained credits
	<b>Total: 1,20,25,868/-</b>	

However, in the assessment order, there is no mention of these transactions and addition of Rs. 1,24,89,146/- on account of bogus purchases from M/s Om Trading Co. has been made. Copies of notice u/s 148(b) and order u/s 148(d) have been placed before us. Thus, the ground of reopening of assessment and final addition during reassessment are made on entirely different facts and therefore, Ld. AR has submitted the order of Ld. AO is bad in law and liable to be quashed.

3.3 On the other hand, Ld. DR has strongly relied on the orders of the lower authorities.

4. We have heard the rival submissions and perused the material placed before us. We note that in the notice u/s 148A(b) and order u/s 148A(d), the names of the parties mentioned from whom alleged bogus purchases were made by the assessee were different from the party mentioned is found in assessment order. Thus, it is clear that the ground on which the assessment was reopened is different from the addition made at the time of assessment. In view of the settled

judicial position on this issue, we are of the considered view that the assessment made by the Ld. AO is invalid and is accordingly, quashed.

5. Since the assessment order has been quashed, remaining legal grounds become infructuous and hence, not being adjudicated upon.

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

Order pronounced in the Open Court on 29-01-2026.

**Sd/-**  
**(MAHAVIR SINGH)**  
**Vice President**

**Sd/-**  
**(RENU JAUHRI)**  
**Accountant Member**

Dated: 29.01.2026

Pooja Mittal

Copy forwarded to:

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

Asstt. Registrar, ITAT, New Delhi