

IN THE INCOME TAX APPELLATE TRIBUNAL  
MUMBAI BENCH "B", MUMBAI

BEFORE SHRI ANIKESH BANERJEE, JUDICIAL MEMBER AND  
SHRI MAKARAND VASANT MAHADEOKAR, ACCOUNTANT MEMBER

ITA No.4786/Mum/2025  
(Assessment year: 2013-14)

<b>Navgrahaa Jewels Private Ltd.</b> Unit No.341 & 342, Pragati Industrial Estrate, N. M. Joshi Marg, Lower Parel East, Mumbai-400011 <b>PAN: AAECN0220G</b>	vs	<b>Deputy Commissioner 7(1)(1), Mumbai</b> Aayakar Bhawan, Mumbai-400020
<b>APPELLANT</b>		<b>RESPONDENT</b>

Assessee by : Shri Dharan Gandhi, Adv., Ms. Vinita Nara Adv

Respondent by : Shri Layaqat Ali Aafaqui, SR DR

Date of hearing : 28/01/2026

Date of pronouncement : 30/01/2026

**ORDER**

**Per: Anikesh Banerjee (JM):**

The instant appeal of the assessee filed against the order of the NFAC, Delhi [for brevity 'the Id. CIT(A)], order passed under section 250 of the Income Tax Act 1961 (for brevity 'the Act') for assessment year 2013-14, date of order 11.11.2024. The impugned order emanated from the order of the Assessment

Unit Income-tax Department (for brevity the “Ld. AO”), order passed under section 147 r.w.s. 144B of the Act, date of order 09.05.2023.

2. The Ld. AR argued and filed a paper book containing **page 1 to 23** which has been placed on record. The Ld. AR contended that the addition was made by the Ld. AO amount of Rs.1,72,69,594/- u/sec. 69C related to the bogus purchase. The Ld. AR argued that the notice under section 14b which is deemed to be notice 148A(b) of the Act was duly issued on 25.06.2021, and the assessee filed its reply in compliance thereto on 26.05.2022. Thereafter, the notice under section 148 of the Act was issued on 29.07.2022. The Ld. AR contended that, in light of the judgment of the Hon’ble Supreme Court in **Union of India v. Rajeev Bansal** reported in **167 taxmann.com 70 (SC)**, the notice under section 148 was issued by the Ld. Assessing Officer beyond the permissible surviving period and is, therefore, bad in law. It was further submitted that the computation of the surviving period has been duly annexed to the paper book. The said computation, presented in tabular form, is reproduced below:

<b>Sr. No.</b>	<b>Event</b>	<b>Date/Days</b>
1	<i>Original notice u/sec. 148 which is deemed to be notice u/sec. 148A(b)</i>	25.06.2021
2	<i>Last day to issue notice u/sec. 148 as extended by TOLA</i>	30.06.2021
3	<i>Therefore, surviving period left as per the decision in case of Rajeev Bansal (supra)</i>	05 days
4.	<i>Notice issued providing material after the decision in case of Ashish Agrawal</i>	26.05.2022
5	<i>Last day to reply as per such notice and as</i>	08.06.2022

	<i>per the decision in case of Ashish Agrawal i.e., 2 weeks/ Date of filing Reply by the Appellant</i>	
6	<i>Therefore, last day to issue notice u/sec. 148 of the Act considering the surviving period</i>	<i>14.06.2022</i>
7	<i>Date of issue of notice u/sec. 148 of the Act</i>	<i>29.07.2022</i>
8	<i>Impugned Assessment order passed</i>	<i>09.05.2023</i>

3. The DR argued and submitted a written submission dated 03.09.2025 which is relevant part of the said order is reproduced as below:

**“III. REBUTTAL TO GROUNDS OF APPEAL ON MERITS**

**Ground 1(a): Reopening of Assessment under Section 148 is Time-Barred**

9. The Appellant contends that the reopening for AY 2013-14 is time-barred, ignoring the procedural history and extensions under law. The original notice under Section 148 was issued on June 25, 2021, based on information of accommodation entries. Pursuant to the Hon'ble Supreme Court's judgment in *Union of India v. Ashish Agarwal (2022) 444 ITR 1 (SC)*, such notices issued between April 1, 2021, and June 30, 2021, were deemed as show-cause notices under Section 148A(b). Accordingly, an order under Section 148A(d) was passed on July 29, 2022, after providing opportunity, and a fresh notice under Section 148 was issued on the same date.

10. For AY 2013-14, under the old regime (pre-Finance Act, 2021), the time limit for reopening was 6 years from the end of the assessment year (i.e., March 31, 2020) where income escaped assessment exceeded Rs. 1 lakh. However, the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 (TOLA) extended timelines due to COVID-19, suspending limitations from March 20, 2020, to March 31, 2021, and further extensions applied.

11. The Hon'ble Supreme Court in *Union of India v. Ashish Agarwal (supra)* validated the procedure for reviving such notices, holding that they be treated under the new regime without prejudice to time limits under TOLA. In the recent judgment in *Union of India v. Rajeev Bansal (2024) INSC 754 (SC, dated October 3, 2024)*, the Apex Court clarified that TOLA applies to

*extend time limits for issuing notices under Section 148, and notices issued post-March 31, 2021, are valid if within the extended period. The Court upheld notices for AY 2013-14 issued in 2021-22 as per TOLA extensions.*

*12. Further, the Bombay High Court held that reopening for pre-2021 years are permissible if information indicates escaped income and procedural safeguards are followed. In the present case, specific information from the Investigation Wing and Customs about bogus transactions justified reopening, and all opportunities were provided.*

*13. The Appellant's ground is misconceived and ignores the Supreme Court's directives. The reopening is valid and within time limits as extended.*

**Ground 1(b): Addition of Bogus Purchases under Section 69C and Addition to Total Income**

*14. The Appellant challenges the confirmation of addition of Rs. 1,72,69,594/- as unexplained expenditure under Section 69C, treating purchases from M/s KeshavImpex as bogus. The AO's addition was based on credible information that Shri Anil BabulalChokhara provided accommodation entries, as confirmed by his statement under Section 108 of the Customs Act, 1962 (equivalent to Section 132(4) of the Act), admitting to bill/cheque discounting and earning commissions without genuine business.*

*15. Notices under Section 133(6) to related parties remained unserved, and Chokhara's books were rejected under Section 145(3). Despite opportunities, the Appellant failed to submit critical evidence like purchase orders, delivery challans, or proof of goods receipt/transport. Mere submission of invoices, ledgers, and bank statements showing RTGS payments does not prove genuineness, as payments can be routed for accommodation entries.*

*16. Under Section 69C, where expenditure is unexplained and source not satisfactorily explained, it is deemed income. The burden of proof lies on the assessee to establish the genuineness of transactions. The Hon'ble Supreme Court in SumatiDayal v. CIT (1995) 214 ITR 801 (SC) held that apparent must be treated as real only if supported by evidence; otherwise, additions are warranted based on surrounding circumstances.*

*The Bombay High Court in PCIT v. DrishalImpex (P.) Ltd. ([2025] 173 taxmann.com 571 Assessee has failed to discharge the primary onus of proving the purchases since the Assessee could not produce evidence to show actual delivery of material and also could not produce confirmatory*

*letters of the alleged suppliers have become final in the absence of any challenge by the Respondent-Assessee, (Para15)*

*17. ITAT Mumbai held that the onus is on the assessee to prove purchases with documentary evidence beyond payments, and failure leads to addition of the entire amount under Section 69C.*

*18. The CIT(A) rightly dismissed the appeal for non-prosecution, as the Appellant failed to respond substantively to five notices (issued on January 11, 2024; February 9, 2024; September 2, 2024; September 18, 2024; and October 7, 2024), seeking only adjournments without evidence. Under Rule 46A of the Income-tax Rules, 1962, and Section 250(6), CIT(A) can dismiss appeals for non-compliance.*

***Ground 2: Order Passed by AO is Devoid of Merit, Arbitrary, Uncalled For, and Bad in Law***

*20. This ground is general and lacks specificity. The assessment order is detailed, based on investigation findings, statements, and the Appellant's failure to rebut evidence. It complies with natural justice, with multiple notices under Sections 142(1) and 148A. The Hon'ble Supreme Court in CIT v. Calcutta Agency Ltd. (1951) 19 ITR 191 (SC) held that general grounds without substance deserve dismissal.*

***IV. PRAYER***

*22. In view of the above, the Revenue prays that:*

- The application for condonation of delay be rejected, and the appeal be dismissed as time-barred.*
- Alternatively, on merits, all grounds be dismissed, and the orders of the AO and CIT(A) be upheld.*
- Costs be awarded to the Revenue.*

4. We have heard the rival submissions and considered the material available on record. We note that the notice under section 148 of the Act was initially issued on 25.06.2021. The limitation period, read with the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 (TOLA), expired on 30.06.2021. The Ld. AO issued the reassessment notice under section 148 of

the Act between 01.04.2021 and 30.06.2021 by relying on the erstwhile regime. Thus, by issuing the notice on 25.06.2021, the Ld. AO availed a survival period of 05 days, as contemplated in the judgment in **Rajeev Bansal** (supra). The assessee submitted its reply in compliance with the notice under section 148A(b) of the Act on 26.05.2022 (**APB Page 15**). Thereafter, the final notice under section 148 of the Act was issued on 29.07.2022, i.e., after a lapse of 45 days from the date of submission of the assessee's reply. The final notice under section 148 was thus issued beyond the permissible time. In view of the decision of the Hon'ble Supreme Court in **Rajeev Bansal** (supra), the Ld. AO has exceeded the permissible period of 19 days, thereby acting beyond the limitation prescribed by the Hon'ble Apex Court. Consequently, the notice issued under section 148 of the Act dated 29.07.2022 is bad in law. The submission of the Ld. DR is misplaced related to this legal issue. Accordingly, the Ld. AO did not validly assume jurisdiction to frame the assessment under section 147 read with section 144B of the Act, and the assessment order is liable to be quashed.

Since the issue has been decided on a jurisdictional legal ground, the grounds raised on merits are rendered academic and are, therefore, left open.

5. In the result, the appeal of the assessee bearing **ITA No.4786/Mum/2025** is allowed.

Order pronounced in the open court on 30<sup>th</sup> day of January 2026.

Sd/-

(MAKARAND VASANT MAHADEOKAR)  
ACCOUNTANT MEMBER

Mumbai, दिनांक/Dated: 30/01/2026

SAUMYASr.PS

Sd/-

(ANIKESH BANERJEE)  
JUDICIAL MEMBER

**Copy of the Order forwarded to:**

1. अपीलार्थी/The Appellant ,
2. प्रतिवादी/ The Respondent.
3. आयकरआयुक्त CIT
4. विभागीयप्रतिनिधि, आय.अपी.अधि., मुंबई/DR, ITAT,  
Mumbai
5. गार्डफाइल/Guard file.

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BY ORDER,

(Asstt. Registrar), ITAT, MUMBAI