

IN THE INCOME TAX APPELLATE TRIBUNAL

"C" BENCH, MUMBAI

BEFORE SHRI VIKRAM SINGH YADAV, ACCOUNTANT MEMBER

SHRI SANDEEP SINGH KARHAIL, JUDICIAL MEMBER

ITA No. 7638/MUM/2025
(Assessment Year :2012-13)

ITO-13(1)(1), Mumbai

Room No. 205, Aaykar Bhavan, MK Road,
Mumbai- 400020,

..... Appellant

v/s

Pantime Finance Company Pvt Ltd

304A, Amazon Park, Link Road,
Devki Nagar, Borivali West,
Mumbai- 400103
PAN: AAACP9097M

..... Respondent

Assessee by : None

Revenue by : Shri Virabhadra Mahajan, Sr. DR

Date of Hearing – 03/02/2026

Date of Order - 11/02/2026

ORDER

PER SANDEEP SINGH KARHAIL, J.M.

The present appeal has been filed by the Revenue challenging the impugned order dated 25/09/2025, passed under section 250 of the Income Tax Act, 1961 (*"the Act"*) by the learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi, [*"learned CIT(A)"*], for the assessment year 2012-13, which in turn arose from the order dated 29/03/2022 passed under section 147 read with section 263 read with section 144B of the Act.

2. In this appeal, the Revenue has raised the following grounds: -

1. *"Whether on the facts and circumstances of the case and in law the Id. CIT (A) was justified in allowing the appeal filed by the assessee relying on the decision of Hon'ble ITAT in ITA No. 636/Mum/2021 dated 21.02.2023 wherein the ITAT has quashed the Base revision order passed u/s. 263 of the Act, without considering the fact that the Revenue has not accepted the decision of ITAT and preferred appeal u/s. 260 before High Court (ITXAL/27882/2023), which is pending for adjudication?"*

2. *"The appellant prays that the order of the CIT (A) on the grounds be set aside and confirm the order of the AO."*

3. *"The appellant craves leave to add/alter/amend the above Grounds of Appeal if and when, necessity or occasion arises."*

3. When the appeal was listed for hearing, no one appeared on behalf of the assessee, nor was any application seeking adjournment filed. Therefore, we proceed to decide the present appeal on the basis of the material placed on record and after considering the submissions of the learned Departmental Representative ("*learned DR*").

4. The brief facts of the case are that for the year under consideration, the assessee filed its original return of income on 04/03/2013, declaring a total loss of INR 57,42,766. Subsequently, on the basis of the information received that the assessee has received an amount of INR 15 lakh from M/s Anunay Sales Private Ltd by way of routing the funds, notice under section 148 of the Act was issued on 28/03/2018. In response to the said notice, the assessee filed its return of income on 23/04/2018, revising the total loss to INR 19,07,954. The reassessment proceedings culminated in an order dated 20/11/2018, passed under section 143(3) read with section 147 of the Act, accepting the returned loss of the assessee. Subsequently, the learned Principal Commissioner of Income Tax-5, Mumbai, ("*learned PCIT*"), vide

revision order dated 30/03/2021 passed under section 263 set aside the aforesaid assessment order passed under section 143(3) read with section 147 of the Act, inter-alia, on the basis that the assessment order was passed without making inquiries or verification which should have been made. Further, the learned PCIT held that the Assessing Officer ("AO"), while completing the reassessment proceedings, did not follow the procedures laid down under the Standard Operating Procedures by the CBDT for dealing with Penny stock. Thus, it was held that the assessment order is erroneous insofar as it is prejudicial to the interest of the Revenue as per the provisions of section 263 of the Act. Accordingly, the learned PCIT directed the AO to pass the assessment order *de novo* after taking into account the observations made. Pursuant to the aforesaid directions issued by the learned PCIT, the AO passed the order dated 29/03/2022 under section 147 read with section 263 read with section 144B of the Act, computing the total income of the assessee at INR 5,79,47,730, after making additions of INR 70,00,000 and INR 5,28,55,685. The learned CIT(A), vide impugned order, allowed the appeal filed by the assessee on the basis that the Tribunal has quashed the revision order passed under section 263 of the Act pursuant to which the impugned additions were made.

5. We find that in the appeal by the assessee against the aforesaid order dated 30/03/2021 passed under section 263 of the Act, the Coordinate Bench of the Tribunal in M/s Pantime Finance Company Pvt. Ltd. v/s ITO, in ITA no. 636/Mum/2021, for the assessment year 2012-13, vide order dated 21/02/2023 quashed the order passed under section 263 of the Act. The

relevant findings of the coordinate bench, in the aforesaid decision, are reproduced as follows: -

"5. Hence it could be safely concluded that the base order seeking to be revised i.e the re-assessment order dated 20.11.2018 itself is bad in law and is liable to be quashed due to various legal infirmities stated supra, then any subsequent proceedings on the said illegal base order also would get automatically quashed. Hence the revision order u/s 263 of the Act deserves to be quashed on this count also.

6. Even on merits of revision order passed by the Id. PCIT only says that M/s Aditi & Finance Pvt Ltd is a penny stock and that SOP guidelines issued by CBDT had not been followed by the Id. AO while framing the reassessment. In this regard, it is pertinent to note that penny stock SOP guidelines have been issued by CBDT only in respect of listed scrips. In the instant case, Aditi & Finance Pvt Ltd scrip is not listed in any stock exchange. We hold that the SOP guidelines issued by CBDT cannot be made applicable for unlisted scrips. Hence the Id. PCIT had assumed revision jurisdiction on incorrect assumption of fact and incorrect application of CBDT guidelines. Hence the revision order passed u/s 263 of the Act is to be quashed on this count also.

7. In view of the aforesaid observations, we hold that the revision order passed by the Id. PCIT u/s 263 of the Act deserves to be quashed both on law and also on merits. Accordingly, the grounds raised by the assessee are allowed."

5. Since the revision order dated 30/03/2021 passed under section 263 has been set aside by the Coordinate Bench, the order dated 29/03/2022 passed under section 147 read with section 263 read with section 144B, pursuant to the directions of the learned PCIT under section 263 of the Act, has no legal basis to be sustained. Accordingly, we find no infirmity in the findings of the learned CIT(A). As a result, the grounds raised by the Revenue are dismissed.

6. In the result, the appeal by the Revenue is dismissed.

Order pronounced in the open Court on 11/02/2026

Sd/-
VIKRAM SINGH YADAV
ACCOUNTANT MEMBER

Sd/-
SANDEEP SINGH KARHAIL
JUDICIAL MEMBER

MUMBAI, DATED: 11/2/2026

*Disha Raut
Stenographer*

Copy of the order forwarded to:

- (1) The Assessee;*
- (2) The Revenue;*
- (3) The PCIT / CIT (Judicial);*
- (4) The DR, ITAT, Mumbai; and*
- (5) Guard file.*

By Order

Assistant Registrar
ITAT, Mumbai.