

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

BEFORE SHRI VIMAL KUMAR, JUDICIAL MEMBER

AND

SHRI AMITABH SHUKLA, ACCOUNTANT MEMBER

**ITA No.5257/DEL/2025
[Assessment Year: 2015-16]**

PRIMEGOLD STEEL AND POWER LIMITED, 5/2 CLUB ROAD PUNJABI BAGH EXTENSION, DELHI 110026	Vs	ACIT, Central Circle-26 Jhandewalan Extension, New Delhi-110026
PAN-AACK3755F		
Appellant		Respondent

Appellant/Assessee by	Shri S.L. Poddar, Adv.
Respondent/Revenue by	Ms. Ankush Kalra, Sr. DR

Date of Hearing	19.02.2026
Date of Pronouncement	09.03.2026

ORDER

PER AMITABH SHUKLA, AM,

This appeal by the assessee is directed against the order of National Faceless Appeal Centre/Ld. Commissioner of Income Tax(Appeals), New Delhi [hereinafter referred to as 'ld. CIT(A)] dated 14.08.2025 arising out of assessment order dated 31.03.2022 passed under section 147 of the Income Tax Act, 1961, for the Assessment Year 2015-16. The word 'Act' herein this order would mean Income Tax Act, 1961.

2. The assessee has raised following grounds of appeal:-

1. *In the facts and circumstances of the case and in law, Learned CIT(A) has erred in confirming the reopening u/s 147 of the income tax act, 1961 which is void-ab-initio.*
2. *In the facts and circumstances of the case and in law, Learned CIT(A) has erred in confirming the addition of Rs. 10,00,000 on the account of alleged fictitious profit, ignoring that the same was duly recorded in the audited books and already taxes.*
3. *In the facts and circumstances of the case and in law, Learned CIT(A) has erred in upholding the addition without providing material relied upon by the AO and without affording cross-examination, violating principle of natural justice.*

3. We have heard rival submissions in the light of material available on record. At the outset, Id. Counsel for the assessee submitted that it had raised legal grounds before the Ld. CIT(A), who has not adjudicated the same. It was argued that the contest raised was summarily brushed aside without any reasoned finding and application of mind. We have noted from page-2 of the order of the Ld. First Appellate Authority that the assessee has raised following grounds of appeal which inter alia included challenge to the passing of order u/s 147 of the Act.

“.....2. As per Form No. 35, the following grounds of appeal have been raised:

“1. Under the facts and Circumstances of the case the learned Assessing Officer has erred in passing the order u/s 147 of the Income Tax Act, 1961 which is void ab-initio deserves to be quashed.

2. Under the facts and Circumstances of the case the learned Assessing Officer has erred in making the addition of Rs. 10,00,000/- on account of alleged fictitious profit declared by the assessee.

3. *The assessee craves your indulgence to add amend or alter all or any grounds of appeal before or at the time of hearing.”*

4. We have further noted that on page-11 of its order, the Id. CIT(A) has dismissed the challenge of the assessee in the following manner.

“...7. As regards, the legal grounds relating to reopening of assessment u/s 147 of the Act, I do not find any infirmity with the proceedings. The proceedings have been initiated by the AO as per the due process of law. The same can be seen from paras 2 and 3 of the assessment order. Therefore, all these grounds are liable to be rejected. I hold accordingly. Hence, all the grounds raised in this regards are hereby dismissed....”

5. We have noted from pages-2 to 9 of the appellate order that the assessee had challenged the legality of proceedings under section 147 on various grounds inter alia including no failure on part of the assessee to disclose material facts, lack of enquiry in allegations before recording reasons, case of borrowed satisfactions, etc. A perusal of para-7 of the appellate order alludes that there has been no application of mind on the part of the Id. CIT(A) in arguments raised by the assessee. The conclusions have been drawn by him in a summary, cryptic and sketchy manner and does not indicates that any reasoned analysis was done of the facts as well as cited judicial precedents. The allegation of non-adjudication of its legal ground of appeal is thus fairly proven on facts. Accordingly, we are of the considered view that the ends of justice would be met if the matter is set-aside to the file of the Id. CIT(A) for re-adjudication. We therefore set-aside the order of the Id. CIT(A) and direct him to re-adjudicate the appeal in accordance with law, after giving due opportunity

of being heard and by passing a speaking order. The assessee shall be bounded to comply with the statutory notices issued by the Id. CIT(A). The Id. CIT(A) shall conclude the re-adjudication proceedings, within 180 days of the receipt of this order.

6. In the result, the appeal of the assessee is allowed for statistical purposes.

Order pronounced in the open court on 09th March, 2026.

Sd/-
[VIMAL KUMAR]
JUDICIAL MEMBER

Dated: 09.03.2026

Shekhar

Copy forwarded to:

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

Sd/-
[AMITABH SHUKLA]
ACCOUNTANT MEMBER

Asst. Registrar,
ITAT, New Delhi,