

**IN THE INCOME TAX APPELLATE TRIBUNAL
“G” BENCH, DELHI**

**BEFORE SHRI ANUBHAV SHARMA, JUDICIAL MEMBER &
SHRI AMITABH SHUKLA, ACCOUNTANT MEMBER**

**ITA No.6095/Del/2025
(Assessment Year:2011-12)**

M/s Ambica Timber Trade Private Limited Y-402, SiddarthaAppartment, MP Enclave Pitampura Delhi – 110034	Vs.	ITO, Ward, 2(1) CR Building New Delhi – 110002
स्थायीलेखासं./जीआइआरसं./PAN/GIR No: AAJCA0443P		
Appellant	..	Respondent

Appellant by :	Sh. PranshuSinghal, CA Sh. Rahul Bhardwaj
Respondent by :	Sh. Manish Gupta, Sr. DR

Date of Hearing	01.04.2026
Date of Pronouncement	08.04.2026

ORDER

PER ANUBHAV SHARMA, JM:

This appeal is preferred by the assessee against the order dated 22.07.2025 of the Ld. National Faceless Appeal Centre (NFAC) Delhi (hereinafter referred as Ld. First Appellate Authority or in short Ld. ‘FAA’)

in DIN & Order No.: ITBA/NFAC/S/250/2025-26/1078771895(1) arising out of the order dated 24.12.2018 u/s 147 r.w.s 143(3) of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') passed by the Ward-2(3) for AY: 2011-12.

2. On hearing both sides we find that assessee has challenged the impugned assessment order by challenging the reopening itself and asserting that the reasons recorded for issuance of notice u/s 148 of the Act dated 30.03.2018 copy of which is available at page 5 of the paper book was not in accordance with law. In this context we find that the AO in the "reasons recorded" has merely stated that as per the information, the assessee has taken accommodation entries of Rs. 64,20,000/- from M/s. SaiKripa Enterprises : Rs. 10,00,000/-, M/s. Bharat Overseas: Rs. 40,04,000/-, M/s. NavDurga Trading Co.: Rs. 14,20,000/- without even specifying the nature of the alleged accommodation entries.

3. We have gone through the assessment order and the paper book filed by the assessee and we find that the only allegation of the AO is that during the year under consideration, the assessee has received accommodation entries of Rs. 64,20,000/- from the 3 parties, namely, M/s. Sai Enterprises :

Rs. 10,00,000/-, M/s. Bharat Overseas: Rs. 40,00,000/-, M/s. NavDurga Trading Company: Rs. 14,20,000/-.The assessee company was incorporated on 22.10.2010 and no sales or purchases have been made in the year under consideration. During the course of assessment proceedings, vide replies dated 25.10.2018, 25.11.2018 and 03.12.2018, the assessee company has duly submitted that no transactions were entered with the said concerns in the year under consideration. Copy of replies are enclosed at PB Page No. 12-14, 24-25. Further, the assessee had also submitted the copy of both the bank statements establishing that no amounts have been received from such entities. Copy of the bank statements are on record at PB Page No. 16-19. Also, a detailed affidavit by the Director of the company was submitted before the AO submitting that the no transactions have been entered with any of the said concerns in the year under consideration.

4. Ld. DR could not dispute the aforesaid facts emanating from the material before us and relied on the decision of Hon'ble Delhi High Court in ChetanSabharwal Vs. ACIT, Circle 28(1) (2019) 110 taxmann.com 57 (Delhi) and ReymondWollenMills Ltd. Vs. ITO, (1999) 236 ITR 34 (SC) to contend that investigation report can be relied for reopening. However, we

are of the considered view that in the reason as has been recorded the assessing officer has time and again mentioned that reopening is being done for verification of the facts mentioned in the investigation wing report. There was no independent application of mind on the basis of assessee's return as to if at all there were entries to the tune of Rs.64,20,000/- but being the first year operation the alleged accommodation entries could have been examined on the basis of financials and the return of assessee but quite apparently blindfolding himself assessing officer has considered the investigation wing report to be sacrosanct and proceeded to reopen the case. The decision which ld. DR had relied are quite distinguishable on the facts we have observed and reproduced above.

5. In the light of the aforesaid we sustain the ground No. 3. The appeal of the assessee is allowed and the impugned reassessment order is quashed.

Order pronounced in the open court on 08.04.2026

Sd/-
(Amitabh Shukla)
ACCOUNTANT MEMBER

Sd/-
(Anubhav Sharma)
JUDICIAL MEMBER

Dated 08.04.2026
Rohit, Sr. PS

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR
ITAT NEW DELHI