

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHIBENCH 'B', NEW DELHI**

**Before Sh. Challa Nagendra Prasad, Judicial Member  
&  
Smt. Renu Jauhri, Accountant Member**

**ITA No. 9072/Del/2025 : Asstt. Year: 2018-19**

**ITA No. 9073/Del/2025 : Asstt. Year: 2019-20**

Income Tax Officer, Ward-72(1), New Delhi (APPELLANT)	Vs	Ankur Gupta, A-2/3, 1 <sup>st</sup> Floor, Rana Pratap Bagh, Delhi-110007 (RESPONDENT)
<b>PAN No. AGSPG7499P</b>		

**CO No. 36/Del/2026  
(arising out in ITA No. 9072/Del/2025: A.Y. 2018-19)**

Ankur Gupta, A-2/3, 1 <sup>st</sup> Floor, Rana Pratap Bagh, Delhi-110007 (APPELLANT)	Vs	Income Tax Officer, Ward-72(1), New Delhi (RESPONDENT)
<b>PAN No. AGSPG7499P</b>		

**Assessee by: Ms. Mansi Jain, Adv. &  
Sh. Tanishq Ahuja, Adv.  
Revenue by: Sh. Rajesh Kumar Dhanesta, Sr. DR**

<b>Date of Hearing: 22.04.2026</b>	<b>Date of Pronouncement: 15.05.2026</b>
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**ORDER**

**Per Renu Jauhri, Accountant Member:**

The above captioned appeals are preferred by the Revenue and Cross Objection by the assessee against the order dated 30.10.2025, passed by CIT(A)/NFAC u/s 250 of the Income Tax Act, 1961 (hereinafter referred to as "the Act") for A.Y. 2018-19 and 2019-20, respectively.

2. The Revenue has raised following grounds of appeal:

**ITA No. 9072/Del/2025**

"1. On the facts and circumstances of the case and in law, the Ld. CIT(A) has erred in deleting the addition of Rs.95,00,000/- made under section 69C of the Income Tax Act, 1961 by not appreciating the fact that there is a specific information with the Department that assessee has entered into transaction (accommodation entry) with M/s Mahavir Prasad Suresh Kumar, who used to indulge in providing accommodation entries in the form of bogus sales or purchases.

2. On the facts and circumstances of the case and in law, the Ld. CIT(A) has erred in not considering the fact that assessee has entered into transaction with M/s Mahavir Prasad Suresh Kumar, an entity of Sh. Ashok Kumar Gupta and during course of survey operation u/s 133A in the case of Ashok Kumar Gupta on 30.11.2018, it was found that assessee Ankur Gupta is one of the beneficiary in this bogus transaction."

**ITA No. 9073/Del/2025**

"1. On the facts and circumstances of the case and in law, the Ld. CIT(A) has erred in deleting the addition of Rs.35,42,500/- made under section 69C of the Income Tax Act, 1961 by not appreciating the fact that there is a specific information with the Department that assessee has entered into transaction (accommodation entry) with M/s Mahavir Prasad Suresh Kumar, who used to indulge in providing accommodation entries in the form of bogus sales or purchases.

2. On the facts and circumstances of the case and in law, the Ld. CIT(A) has erred in not considering the fact that assessee has entered into transaction with M/s Mahavir Prasad Suresh Kumar, an entity of Sh. Ashok Kumar Gupta and during course of survey operation u/s 133A in the case of Ashok Kumar Gupta on 30.11.2018, it was found that assessee Ankur Gupta is one of the beneficiary in this bogus transaction.

3. The assessee has raised following grounds of cross objection in CO No.36/Del/2026:

"1. On the facts and circumstances of the case, order passed by National Faceless Assessment Centre (NFAC) is bad both in the eye of law and on facts.

2. (i) On the facts and circumstances of the case, NFAC has erred both on facts and in law in confirming the order

*passed by the A.O. despite the fact that there is no proper sanction for initiation of proceedings under section 148 of the Act, as provided under section 151 of the act.*

*(ii) That the sanction has been stated to be taken from Pr. CIT, despite the fact that the reopening has been initiated after a period of three years from the end of relevant assessment year, therefore the same should have been taken from Principal Chief Commissioner or Principal Director General or Chief Commissioner or Director General, as provided under clause (ii) of section 151 of the Act."*

**A.Y. 2018-19 (ITA No. 9072/Del/2025 & CO No. 36/Del/2026)**

4. Brief facts relating to A.Y. 2018-19 are that the assessee had filed its return on 21.04.2022 declaring total income of Rs.6,86,300/-. Subsequently, based on information regarding bogus purchases made by the assessee a notice u/s 148A(b) was issued on 19.03.2022. Subsequently order u/s 148A(d) was passed on 06.04.2022 and a notice u/s 148 was also issued on 06.04.2022.

4.1 At the outset, Id. AR has submitted that the sanction of specified authority was not taken u/s 151 and therefore cross objection has been filed challenging the re-assessment proceedings. In this regard, following chart of relevant dates has been filed by the Id. AR:

Date of issuance of notice u/s 148A(b)-	19.03.2022
Due date for filing of reply to notice u/s 148A(b)-	25.03.2022
Date of Order passed u/s 148A(d)-	06.04.2022
Date of notice issued u/s 148-	06.04.2022

It has been argued that since notice u/s 148 was issued beyond a period of 3 years for A.Y. 2018-19, the authority to grant approval u/s 151(ii). Pr. CCIT/CCIT/DGIT whereas in the instant case, the approval of PCIT-12, Delhi has been taken for issuance of order u/s 148A(d) as well as notice u/s 148. Ld. AR has placed reliance on following decisions wherein the issue has been decided in favour of the assessee following the decision of the Hon'ble Apex Court in the case of **UOI & Others Vs. Rajeev Bansal (2024) SCC Online (SC) 2693:**

1. *Star Global Multi Venture Private Limited v. ACIT CC-22(2), Delhi & Anr. -W.P.(C) 14237/2022 - Delhi High Court*
2. *Ajay Duggal v. ITO, Ward-72 (1), Delhi ITA No. 5612/Del/2024 - Delhi ITAT*
3. *Niraj Versus ITO, Ward- 2 (3) (1), Delhi ITA No. 3308/Del/2025 - Delhi ITAT*
4. *Saif Ali Mansoor Ali Khan Pataudi v. ACIT, Circle-16 (1), Mumbai ITA No. 2131/MUM/2025 - Mumbai ITAT*
5. *M/s RS Construction v. ITO Ward 41(3)(3), Mumbai ITA No. 4918/Mum/2025 - Mumbai ITAT*

4.2 On the other hand, Id. DR has strongly relied on the orders of the lower authorities.

5. We have heard the rival submissions and perused the material placed on record. From the copies of order u/s 148A(d) and notice u/s 148 filed by the assessee, it is apparent that the sanction has been taken from PCIT-12, Delhi. However, as the impugned notice/order has been issued on 06.04.2022, i.e. after a lapse of 3 years from the end of the

A.Y. 2018-19, the sanctioning authority was PCCIT/CCIT as has been held in the case of Rajeev Bansal (supra):

"45. *The first proviso to Section 149(1)(b) provides thus:*

*"149. (1) No notice under section 148 shall be issued for the relevant assessment year, -*

*(a) If three years have elapsed from the end of the relevant assessment year, unless the case falls under clause (b);*

*(b) If three years, but not more than ten years, have elapsed from the end of the relevant assessment year unless the Assessing Officer has in possession of books of account or other documents or evidence which reveal that the income chargeable to tax, represented in the form of asset, which has escaped assessment amounts to or is likely to amount to fifty lakh rupees or more for that year:*

*Provided that no notice under section 148 shall be issued at any time in a case for the relevant assessment year beginning on or before 1st day of April 2021, if such notice could not have been issued at that time on account of being State of M P v. Kedia Leather & Liquor Ltd., (2003) 7 SCC 389 [15] Harshad S Mehta v. State of Maharashtra, (2001) 8 SCC 257 [31] PART E immediately beyond the time limit specified under the provisions of clause (b) of sub-section (1) of this section, as they stood immediately before the commencement of the Finance Act, 2021:" (emphasis supplied)*

46. *The ingredients of the proviso could be broken down for analysis as follows:*

*(i) no notice under Section 148 of the new regime can be issued at any time for an assessment year beginning on or before 1 April 2021; (ii) if it is barred at the time when the notice is sought to be issued because of the "time limits specified under the provisions of" 149(1)(b) of the old regime. Thus, a notice could be issued under Section 148 of the new regime for assessment year 2021-2022 and before only if the time limit for issuance of such notice continued to exist under Section 149(1)(b) of the old regime."*

5.1 In view of above factual and legal position, we hold that the re-assessment proceedings were initiated and are liable to be quashed. Since the notice itself has been held to be invalid, the remaining issues on merit in Revenue's appeal are not

being adjudicated. In the result, appeal of the Revenue is dismissed and CO of the assessee is allowed.

**A.Y. 2019-20 (ITA No. 9073/Del/2025)**

6. Brief facts of this year are that the assessee had filed his return for A.Y. 2019-20 on 16.10.2019 declaring income of Rs.5,88,870/-. Subsequently, it was gathered from the insight portal that the assessee had entered into bogus purchase transaction with two entry operators during F.Y. 2018-19, totaling Rs.35,42,500/-. Accordingly a notice u/s 148A(b) was issued on 04.03.2023. As no reply/explanation was offered by the assessee, an order u/s 148A(d) and notice u/s 148 were issued on 24.03.2023. Subsequently, assessment u/s 147 r.w.s. 144B vide order dated 16.03.2024 determining total income at Rs.41,31,370/-. Aggrieved the assessee preferred an appeal before Id. CIT(A) who allowed relief to the assessee vide order dated 30.10.2025. Aggrieved, the Revenue has filed appeal before the Tribunal.

7. Before us, Id. DR has argued that the addition was rightly made by the Id. AO u/s 69C on account of bogus purchases amounting to Rs.35,42,500/- on the basis of specific information gathered by the department during the course of a survey u/s 133A conducted in the case of Sh. Ashok Kumar

Gupta, a hawala operator, where it was found that the assessee was also a beneficiary of bogus transactions with the entities of Sh. Ashok Kumar Gupta viz. M/s Mahavir Prasad Suresh Kumar and M/s Madan Lal Madhav Prasad.

7.1 On the other hand, Id. AR has argued that all the requisite documentary evidences to establish the genuineness of impugned transactions had been filed, based on which Id. CIT(A) has rightly allowed relief to the assessee.

8. We have heard the rival submissions and perused the material placed on record including the supporting evidences regarding purchase and transaction of goods from the entities in question. We further note that based on the documentary evidences filed by the assessee, Id. CIT(A) has allowed relief by passing a speaking and reasoned order. Relevant portion of his order is reproduced below:

*"8. I have considered the assessment order, submission of appellant and facts available on record. It is seen that the appellant has shown sales of Rs.35,42,500/- with the alleged parties namely Mahavir Prasad Suresh Kumar and Madanlal Madhav Prasad. The appellant has furnished details of purchases, stock register and details of sales. The AO has not carried out any enquiry regarding the purchases and sales. He has not pointed out any discrepancies in the documentary evidence furnished by the appellant. The AO has also not verified the details of stock available with the appellant for the alleged sales. Once the AO has not doubted the corresponding purchases and the stock position, the sales cannot be held as bogus merely on the basis of information received from the Investigation Unit. I find substantial force in the appellant's contention that if the sales are*

*treated as bogus then the profit will rise abnormally which is not possible in the appellant's case considering the profitability shown in the earlier years in trading activities. It is also observed from the assessment order that in spite of informed by the assessee that the alleged amount is not of purchase but sale, the AO without any application of mind held that the purchases of Rs.35,42,500/- are bogus. This fact shows that the AO has not considered the submission filed by the appellant and merely on the basis of Investigation Unit's report held the sales as bogus purchases. Considering the facts of the case, the addition made by the AO of 35,42,500/- cannot be sustained. Accordingly, AO is directed to delete the addition of Rs.35,42,500/-. Appeal on these grounds is thus allowed."*

9. After considering the facts and circumstances, we are of the considered view that the order of Id. CIT(A) is justified. We, therefore, do not find any reason to interfere with the same. In the result, appeal of the Revenue is dismissed.

10. In the result, both the appeals of the Revenue are dismissed and the CO of the assessee is allowed.

Order Pronounced in the Open Court on 15/05/2026.

Sd/-

**(Challa Nagendra Prasad)**  
**Judicial Member**

**Dated: 15/05/2026**

\*Subodh Kumar, Sr. PS\*

Copy forwarded to:

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

Sd/-

**(Renu Jauhri)**  
**Accountant Member**

**ASSISTANT REGISTRAR**