आयकर अपीलीय अधिकरण, दिल्ली पीठें, नई दिल्ली
INCOME TAX APPELLATE TRIBUNAL, DELHI BENCHES, NEW DELHI

BENCH: G

BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER AND SHRI SANJAY AWASTHI, ACCOUNTANT MEMBER

ITA 8528/DEL/2025 (निर्धारण वर्ष/Assessment Year: **2021-22**) **ITA 8529/DEL/2025** (निर्धारण वर्ष/Assessment Year: **2022-23**) **ITA 8530/DEL/2025** (निर्धारण वर्ष/Assessment Year: **2023-24**)		
RNT METALS PVT LTD E-44 E-2, E-44 F1, RIICO INDL AREA, KHUSHEKHERA BHIWADI, RAJASTHAN, BHIWADI-301019, RAJASTHAN	**Vs.**	**DCIT, CENTRAL CIRCLE-7** - NEW DELHI-110055, DELHI
अपीलार्थी **Appellant**		प्रत्यर्थी **Respondent**
PAN of Assessee:	**AAICR4693M**	

ITA 8535/DEL/2025 (निर्धारण वर्ष/Assessment Year: **2023-24**)		
ARCHIT JAIN 186, RAM VIHAR, DELHI, NEW DELHI-110092, DELHI	**Vs.**	**DCIT CC-7** - NEW DELHI-110055, DELHI
अपीलार्थी **Appellant**		प्रत्यर्थी **Respondent**
PAN of Assessee:	**AMWPJ2386C**	
अपीलार्थी द्वारा/Appellant represented by:	**Shri Pranav Yadav, Adv.**	
प्रत्यर्थी द्वारा/Respondent represented by:	**Ms. Kranti, CIT, DR**	

सुनवाई की तारीख / Date of conclusion of hearing:	**01-Sep-2026**
घोषणा की तारीख / Date of pronouncement:	**23-Sep-2026**

आदेश / ORDER

PER SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER:

The instant batch of four cases involves the twin assesses herein i.e., M/s RNT Metals Private Limited and its director Shri Archit Jain. This company’s appeals ITA No. 8528 to 8530/Del/2025, for assessment years 2021-22 to 2023-24, arise against the Commissioner of Income Tax

(Appeals)-24 (for short, "CIT(A)"), New Delhi's as many orders dated 06.11.2025 passed in order nos. 24/10139/2020-21, 24/10043/2021-22, 24/10029/2022-23 (A.Y: 2021-22 to 2023-24) and its above director Shri Archit Jain's solitary appeal ITA No. 8535/Del/2025 for assessment year 2023-24 is directed against CIT(A)'s order dated 17.11.2025 passed in order no. 24/10028/2022-23, involving proceedings u/s 147 & 143(3) of the Income Tax Act, 1961; hereinafter referred to as, "the Act"; respectively.

Heard both the parties. Case files perused.

2. We proceed "assessee wise" for the sake of convenience and brevity.

3. <u>M/s RNT Metals Private Limited- A.Y-2021-22 (ITA No. 8528/Del/2025)</u>

We notice at the outset, that the assessee/appellant company before us raises its first and foremost legal ground challenging validity of the impugned reopening itself. Learned counsel invites our attention to the Assessing Officer's section 148 notice issued on 25.07.2023 asking it to furnish the return within thirty days from the service thereof. His case accordingly is that going by the relevant statutory provision ie. Section 148; as it stood at the relevant point of time, the same ought to have been granted a minimum time period of ninety days, as held in ITA No. 707/RPR/2025 in DCIT vs Anand Kumar Agarwal, decided on 05.08.2026; reading as under:

> 7. He however, did not press ground of appeal No.1 and 3 above for which the Ld. DR has no objection. Therefore, the first ground and third ground of the application under Rule 27 are dismissed as not pressed. So far as ground of appeal

No.2 of the application is concerned, the Ld. Counsel for the assessee submitted that as per notice issued u/s 148 dated 28.03.2024 the Assessing Officer has given 90 days time to file the return of income from the date of issue of notice dated 28.03.2024. Referring to the provisions of section 148 stood at the relevant time, he drew the attention of the Bench to the same which read as under:

> ***"Issue of notice where income has escaped assessment.***
> ***148.*** *Before making the assessment, reassessment or recomputation under section 147, and subject to the provisions of section 148A, the Assessing Officer shall serve on the assessee a notice, along with a copy of the order passed, if required, under clause (d) of section 148A, requiring him to furnish within a period of three months from the end of the month in which such notice is issued, or such further period as may be allowed by the Assessing Officer on the basis of an application made in this regard by the assessee, a return of his income or the income of any other person in respect of which he is assessable under this Act during the previous year corresponding to the relevant assessment year, in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be prescribed; and the provisions of this Act shall, so far as may be, apply accordingly as if such return were a return required to be furnished under section 139"*

8. He submitted that as per the above provision the assessee is required to furnish his return of income within a period of 3 months from the end of the month in which such notice is issued and therefore the due date in the instant case is 30.06.2024. However, the Assessing Officer in the instant case has directed the assessee to file the return within 90 days from issue of the notice dated 28.03.2024 meaning thereby he has given a shorter period. Referring to the decision of the Hon'ble Bombay High Court in the case of CIT vs. Ramsukh Motilal reported in (1955) 27 ITR 54 (Bom), he submitted that the Hon'ble High Court in the matter of sections 34 and 22 of the Income Tax Act, 1922, which relates to the re-assessment proceedings, has held that for initiating re-assessment proceedings, if the Assessing Officer gives a notice, allowing the assessee a lesser time period for

furnishing his income tax return, than what is allowed in the provision of law, in such a case, it shall not be merely a procedural defect which can be waived, but it shall be a jurisdictional defect which cannot be waived.

9. Referring to the decision of the Hon'ble Gauhati High Court in the case of M/s. Tansukhrai Bodulal vs. ITO reported in (1962) 46 ITR 325 (Gauhati), he submitted that the Hon'ble High Court, following the decision of the Hon'ble Bombay High Court in the case of CIT vs. Ramsukh Motilal (supra) has also taken a similar view. He submitted that in the instant case the Assessing Officer instead of giving 3 months clear notice from the end of March, 2024 has given 90 days from the issue of notice dated 28.03.2024, which is a lesser period, therefore, it is a jurisdictional defect which cannot be waived. He submitted that the issuance of a valid notice u/s 148 is a mandatory condition precedent for assumption of jurisdiction and not a procedural provision. Therefore, the Assessing Officer cannot assume jurisdiction if the notice issued u/s 148 is not a valid notice. He accordingly submitted that since the notice issued u/s 148 is not a valid notice, the subsequent proceedings on the basis of such invalid notice are liable to be quashed being null and void.

10. The Ld. DR on the other hand submitted that the assessee has never challenged the validity of such notice before the lower authorities. He accordingly submitted that he has no objection if the matter is restored to the file of the Ld. CIT(A) / NFAC for adjudication of this legal ground.

11. We have heard the rival arguments made by both the sides, perused the orders of the Assessing Officer and the Ld. CIT(A) / NFAC and the paper book filed on behalf of the assessee. We have also considered the various decisions cited before us. We find the Assessing Officer in the instant case, on the basis of information obtained that the assessee has paid cash of Rs.1,56,00,000/- for purchase of 1200 sq.ft. land at Naharpara, Raipur during the year under consideration, reopened the assessment by recording reasons and issued notice u/s 148 of the Act dated 28.03.2024 which reads as under:

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT
OFFICE OF THE ASSISTANT
COMMISSIONER OF INCOME TAX
CIRCLE 1(1), RAIPUR

To, **ANAND KUMAR AGARWAL** **SHOP NO. 6 ARIHANT COMPLEX , STATION ROAD** **RAIPUR 492001 , Chhattisgarh** **India**	

PAN:	A.Y:	Dated:	DIN & Notice No:
ACJPA4528L	2019-20	28/03/2024	ITBA/AST/S/148_1/2023-24/1063526550(1)

Notice under section 148 of the Income-tax Act,1961

Sir/Madam/ M/s.

- I have information that a search was initiated under section 132 of the Act in your case or in the case of the person in respect of which you are the assessable under the Act on the date 06/01/2023.
- I am satisfied, with the approval of Principal Commissioner or Commissioner, that books of accounts or documents, seized or requisitioned under section 132 or section 132A of the Act in case of **Swastik Developers** pertains or pertain to, or any information contained therein, relate to you or the person in respect of which you are assessable under the Act.
- I am satisfied, with the approval of Principal Commissioner or Commissioner, that books of accounts or documents, seized or requisitioned under section 132 or section 132A of the Act in case of **Swastik Developers** pertains or pertain to, or any information contained therein, relate to you or the person in respect of which you are assessable under the Act.

This notice is being issued after obtaining the prior approval of the **CCIT, RAIPUR** accorded on date **27-MAR-24** vide Reference No. **100000048756836.**

2. I, therefore, propose to assess or reassess such income or recompute the loss or the depreciation allowance or any other allowance or deduction for the Assessment Year **2019-20** and I, hereby, require you to furnish, within **90** days from the issue of this notice, a return in the prescribed form for the Assessment Year **2019-20**.

TAPAN KUMAR CHATTERJEE
CIRCLE 1(1), RAIPUR

(In case the document is digitally signed please refer Digital Signature at the bottom of the page)

Note: If digitally signed, the date of digital signature may be taken as date of document.
,CENTRAL REVENUE BUILDING, RAI02, RAI03, RAI04, RAIPUR, Chhattisgarh, 492001
Email: RAIPUR.DCIT1.1@INCOMETAX.GOV.IN,
Note:- The website address of the e-filing portal has been changed from www.incometaxindiaefiling.gov.in to www.incometax.gov.in.
* DIN-Document identification No.

This document is digitally signed
Signer: TAPAN KUMA[illegible] HATTERJEE
Date: Thursday, Mar [illegible]28, 2024 6:52 PM
Location: BHOPAL, I[illegible]a

12. A perusal of the above shows that the Assessing Officer has given 90 days time from the date of notice i.e. 28.03.2024 for filing of the return. We find the provisions of section 148 as stood at the relevant time read as under:

> *"**Issue of notice where income has escaped assessment.***
> ***148.** Before making the assessment, reassessment or recomputation under section 147, and subject to the provisions of section 148A, the Assessing Officer shall serve on the assessee a notice, along with a copy of the order passed, if required, under clause (d) of section 148A, requiring him to furnish within a period of three months from the end of the month in which such notice is issued, or such further period as may be allowed by the Assessing Officer on the basis of an application made in this regard by the assessee, a return of his income or the income of any other person in respect of which he is assessable under this Act during the previous year corresponding to the relevant assessment year, in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be prescribed; and the provisions of this Act shall, so far as may be, apply accordingly as if such return were a return required to be furnished under section 139"*

13. A perusal of the above provisions shows that the Assessing Officer is required to give a period of 3 months time from the end of the month in which such notice was issued. However, the Assessing Officer in the instant case has given 90 days time from the date of issue of notice. Thus, the mandate of section 148 has not been fulfilled since the Assessing Officer has given lesser time to file the return of income.

14. We find the Hon'ble Bombay High Court in the case of CIT vs. Ramsukh Motilal (supra) while quashing the notice issued u/s 34 of the Income Tax Act, 1922 giving the assessee to comply with its requirement within a period of less than 30 days is invalid and the illegality cannot be waived by the assessee since a defect in its was not procedural but a condition precedent to the assumption of jurisdiction. The relevant observations of the Hon'ble High Court read as under:

> *"9. Therefore, it is clear that the learned Chief Justice in that case takes the view that a notice under s. 34 is a condition precedent to the commencement of proceedings in exercise of jurisdiction. But having held that a proper notice under s. 34 is a condition precedent to the assumption of jurisdiction the learned Chief Justice goes on to consider the question of waiver and on the facts of the case he holds there is no waiver. With very great respect to the learned Chief Justice, it is difficult to understand how there can be a waiver of the condition precedent, compliance with which alone can confer jurisdiction upon an authority or a Tribunal. It is well settled that no consent can confer jurisdiction upon a Court if the Court has no jurisdiction, and if we take the view that the ITO can have jurisdiction only provided he complies with the conditions laid down in s. 34, then no consent by the assessee or no waiver on his part can confer jurisdiction upon the ITO. Therefore, while agreeing with the Calcutta High Court that the notice provided for in s. 34 is a condition precedent to the assumption of jurisdiction, with respect we are unable to accept the view that a defect in a notice given under s. 34 or a failure to give notice under s. 34 can be waived by the assessee."*

15. Although the above decision was rendered under the Income Tax Act, 1922, still the ratio laid down in the aforementioned decision in our opinion, holds good, for the Income Tax Act, 1961. Since the Assessing Officer in the instant case has admittedly given a period of 90 days from the date of notice i.e. 28.03.2024 instead of giving 3 months clear time from the end of relevant month, therefore, such notice issued u/s 148 of the Act is invalid and therefore, all proceedings based on such invalid notice are liable to be quashed being null and void. We, therefore, quash the re-assessment proceedings and the 2nd ground raised by the assessee in the application under Rule 27 of the Income Tax (Appellate Tribunal) Rules, 1963 is allowed.

16. Since the assessee succeeds on this legal ground, the other grounds raised by the assessee in the CO are not being adjudicated being academic in nature. Since, the re-assessment proceedings are quashed, the appeal filed by the Revenue becomes infructuous and accordingly the same is dismissed.

4. The Revenue could hardly dispute that the learned Assessing Officer section 148 notice dated 25.07.2023 granting 90 days time herein had indeed fallen well short of affording the above statutory time period to the assessee for the purpose of filing its response thereto. We thus adopt the foregoing detailed reasoning *mutatis mutandis* to quash the impugned reopening itself in very terms.

All other remaining pleadings between the parties stand rendered academic. The assessee's instant first and foremost appeal ITA No. 8528/Del/2025 succeeds therefore.

ITA No. 8529/Del/2025 for AY: 2022-23

5. The assessee/appellant herein also raises its first and foremost legal ground/argument challenging validity of the Assessing Officer's section 143(3) regular assessment framed on 31.03.2024 in its case for want of initiation of proceedings u/s 148 of the Act. This is for the precise reason that even the learned Assessing Officer observes very fairly in the impugned assessment order that the assessee was duly covered in the departmental section 132 search action at its premises on 12.12.2022. This clinching factual position has gone unrebutted from the Revenue side. We conclude in this factual backdrop that the Tribunal's recent order in (2026) 182 taxmann.com 11 (Del) Montage Enterprises (P) Ltd. vs DCIT holds that the learned Assessing Officer's action framing such a regular assessment post section 132 search action, as a *non-est* one in the eyes of law, as under: 2026) 182 taxmann.com 11 (Del) Montage Enterprises (P) Ltd. vs DCIT.

> "2. We notice at the outset that there arises the first and foremost issue of validity of the impugned section 143(3)

assessment itself framed by the learned DCIT, Central Circle-II, Noida as per the assessee's pleadings in its appeal ITA No.5458/Del/2025. A combined perusal of both these case files indicates that the assessee/appellant is engaged in the business of manufacturing and sale of flexible packaging material etc. It has filed its return for the impugned assessment year 2022-23 on 29.10.2022, declaring loss of Rs.64,53,88,702/-. And the same was taken for scrutiny. The learned departmental authorities thereafter carried out section 132 search action as well as section 133A survey in its case on 21.02.2023. There is further no dispute that the learned Assessing Officer then proceeded to frame the impugned assessment on 30th March, 2024 in its case *inter alia* making various disallowances/additions etc., involving varying sums, which stand partly upheld in the CIT(A)'s lower appellate discussion.

3. It is in this factual backdrop that the assessee seeks to raise it's precise question challenging validity of the impugned assessment for the sole reason that the same ought to have been framed under section 148 with approval under section 148B of the Act in light of Homelife Buildcon (P.) Ltd. Vs. DCIT, (2025) 176 taxmann.com 614 (Chandigarh – Trib.) as relied in Jamna Das Nikkamal Jain Saraf Pvt. Ltd. Vs DCIT (ITA No. 403/Chd./2025) decided on 04.11.2025, adjudicating the very issue against the department as under:

"11.4 In conclusion, it was submitted that since the year under appeal formed part of the three assessment years immediately preceding the year in which search was conducted, the assessment ought to have been framed under section 148 with approval u/s 148B. The framing of the assessment u/s 143(3) and approval taken only for the purposes of section 143(3) was thus asserted to be fundamentally defective, non-compliant with statutory mandate, and consequently void ab initio. On these grounds, following the ratio in Homelife Buildcon Pvt. Ltd., it was prayed that the impugned assessment be quashed.

12. The Ld. CIT-DR Shri Manav Bansal opposed the contention, stating that the return for A.Y. 2022-23 was filed prior to the date of search, and validly selected for scrutiny under CASS. The AO was competent to complete the assessment u/s 143(3).

12.1 He contended that section 148B applies only to "re-assessment" and not to "regular assessments." The AO's approval from Addl. CIT, being in line with the CBDT Instruction No. 7/2022 dated 15.07.2022, fulfils the supervisory requirement. The DR also submitted that Homelife Buildcon is distinguishable, as the AO therein *relied on third-party search data, whereas the present case is based on assessee's own seized material.*

13. We have carefully considered the rival submissions and perused the record. It is undisputed that search u/s 132 was conducted on 24.11.2022, relevant to A.Y. 2023-24. Thus, A.Y. 2022-23 is one of the three preceding years under Explanation 2(iv) to section 148. The Explanation reads that if a search is initiated, "the Assessing Officer shall be deemed to have information suggesting escapement of income for the three assessment years immediately preceding the assessment year relevant to the previous year in which the search is initiated."

13.1 Therefore, the only permissible statutory course was to issue notice u/s 148 and obtain prior approval u/s 148B before passing assessment order.

13.2 As the Assessing Officer completed the assessment under section 143(3) of the Act without issuing the notice under section 148 of the Act. Therefore, the question before us is whether the assessment proceedings initiated under section 143(3) of the Act can be validly continued and completed after a search under section 132 has been conducted in the case of the same assessee, without following the procedure prescribed under section 148 (Explanation 2) of the Act.

13.3 In our considered opinion, the answer lies in the scheme of the Act itself. Section 143 provides the general framework for regular assessment, whereas sections 147–148 (post-2021 regime) deal with reassessment based on information suggesting escapement of income, including that unearthed during a search.

13.4 A plain reading of section 143(2) shows that such notice can be issued only when a return of income is furnished under section 139 or in response to a notice under section 142(1). It empowers the Assessing Officer to scrutinize that return if he considers that income has been understated or tax underpaid. However, when a search under section 132 takes place and materials are found indicating possible escapement of income, the statute envisages a different route for carrying out assessment or reassessment under section 147 read with section 148, which is the special mechanism for bringing to tax the income discovered in consequence of a search.

13.5 Although section 148 (inserted w.e.f. 01.04.2021) does not begin with a non-obstante clause similar to the erstwhile section 153A, its context and Explanation 2 make it clear that where a search is initiated, the jurisdiction thereafter must flow through this special channel, subject to prior satisfaction and approval of the Principal Commissioner or Commissioner. The legislative intent is to ensure that when a search is carried out, the assessment is framed under the specific provisions meant for such cases and not under the general *provision of section 143(3). Further we may mention that no notice under section 143(2) could have been issued after 3 months from the from the end of the financial year in which the return is furnished. In the present case the original return of income was filled on 4/11/2022 for the assessment year 202223 and 143 (2) was issued on 21/6/2023 , therefore also the assessment was framed under 143(3) of the Act is not sustainable. In other words the time required for issuing the notice under 143(2) had already expired, and the revnue can not be allowed to issued issue 143(2) on 21.6.2023 after the search was carried out and notice had been issued on 21.6.2023 and assessment was framed under 143(3) of the Act. The relevant portion of section 143(3) reads as under:-*

> *143(2) Where a return has been furnished under section 139, or in response to a notice under sub-section (1) of section 142, the Assessing Officer or the prescribed income-tax authority, as the case may be, if considers it necessary or expedient to ensure that the assessee has not understated the income or has not computed excessive loss or has not under-paid the tax in any manner, shall serve on the assessee a notice requiring him, on a date to be specified therein, either to attend the office of the Assessing Officer or to produce any evidence on which the assessee may rely in support of the return:*
>
> *Provided that no notice under this sub-section shall be issued after the expiry of three months from the end of the financial year in which the return is furnished.*

13.6 This position finds substantial support from the ratio of various decisions of Hon'ble High Court and Hon'ble Supreme Court. The Courts unanimously held that once a search has been conducted and proceedings are triggered under section 153A, the Assessing Officer cannot continue parallel proceedings under section 143(3) or section 147 for the same assessment year, because the entire assessment for that year stands merged in the search assessment. The Courts emphasized that the existence of a special procedure for assessment consequent to a search is a complete code in itself; therefore, ordinary assessments abate and cannot coexist with the search-based assessment.

13.7 Drawing this analogy to the current regime, it is evident that when a search takes place and information is unearthed suggesting escapement of income, the Assessing Officer must act under section 148 (which now performs the role formerly assigned to section 153A) rather than continuing with a pending section 143(3) proceeding. The legislative intent remains the same — to prevent multiplicity of proceedings and ensure that only one comprehensive order is passed, factoring in both the pre-search and postsearch materials.

13.8 The rationale is further reinforced by the well-settled principle of generalia specialibus non derogant — the special provision overrides the general. Section 148 (as a special provision triggered by search information) must prevail over section 143 (the general provision for regular scrutiny). Allowing the Assessing Officer to continue and conclude proceedings under section 143(3) after a *search would defeat this legislative scheme and render the safeguards, such as prior approval of the Principal Commissioner, redundant.*

13.9 Accordingly, we hold that once a search is initiated under section 132 and material is found relating to the assessee, the pending assessment under section 143(3) cannot validly continue, as the time for issuing the 143(2) in response to original return of income had already expired, therefore the Assessing Officer must necessarily proceed in accordance with the special provisions contained in section 148 of the Act."

4. Learned CIT(DR) representing the Revenue vehemently supports the impugned assessment that the Assessing Officer had rightly finalized the same under the normal provision once the entire issue was pending before him as on the date of search.

5. We have given our thoughtful consideration to the assessee's and the Revenue's foregoing vehement submissions. We find merit in the assessee's legal ground herein once the impugned search had taken place in its case, no normal assessment under section 143(3) of the Act could have been framed in light of the tribunal's foregoing twin decisions going against the department. We thus adopt the above extracted reason *mutatis mutandis* to quash the impugned assessment framed by the learned Assessing Officer on 30th March, 2024 in very terms. "

We adopt the above detailed reasoning *mutatis mutandis* to quash the impugned regular assessment dated 31.03.2024 in very terms. All other remaining pleadings between the parties on merits stand rendered academic. The assessee's instant appeal in ITA No. 8529/Del/2025 is accepted.

ITA No. 8530/Del/2025 for A.Y.: 2023-24

6. Suffice to say, learned counsel presses for the assessee's second substantive ground directed against both the learned lower authorities'

action *inter alia* disallowing its alleged bogus purchases of Rs. 28 lakhs and adding the cash seized of Rs. 7.68 lakhs; respectively, in assessment order dated 03.01.2025 as upheld in the CIT(A)'s lower appellate discussion.

7. That being the case, we notice that both the parties vehemently reiterate their respective stands against and in support of the impugned bogus purchases disallowance. We wish to make it clear that there is no dispute in principle that the assessee is engaged in the business of wholesale of industrial chemical all along wherein possibility of assessee sourcing its purchases from unregistered dealers *per se* could not be altogether ruled out as well. And that its corresponding sales have nowhere been questioned in both the lower proceedings. Various recent judicial precedents (2025) 173 taxmann.com 592 (Guj.) Ravjibhai Becharbhai Dhamelia vs. ACIT; (2024) 160 taxmann.com 110 (Bom) PCIT Vs. Hitesh Mody (HUF), (2024) 160 taxmann.com 93 (Del) PCIT Vs. Forum Sales (P) Ltd.; (2025) 172 taxmann.com 283 (Bom) PCIT Vs. Kanak Impex (India) Ltd; (2025) 178 taxmann.com 424 (Del. – Trib.) DCIT Vs. Kohinoor Foods Ltd.; and (2025) 177 taxmann.com 836 (Delhi-trib.) DCIT Vs. Tirupati Matsup (P.) Ltd. have decided the instant issue of bogus purchases with divergent views *inter alia* accepting partly and entirely as well as disallowing it in full; as the case may be.

8. Faced with these peculiar facts, it is deemed appropriate in the larger interest of justice that a *lumpsum* GP disallowance @ 5% of the assessee's alleged bogus purchases amounting to Rs.28 lakhs, would be just and proper with a rider that the same shall not be treated as a precedent. The

assessee's book entries are hereby rejected to the very extent. Necessary computation shall follow as per law.

No other ground or argument has been pressed.

This assessee's former substantive ground stands partly accepted.

9. Next comes the latter issue of seized cash additions of Rs. 7.68 lakhs in both the lower proceedings. Learned counsel seeks to explain the source thereof to the assessee's cash in hand and regular business sales as per its books of accounts. The fact however remains that the same could not be pleaded and proved to the entire satisfaction of both the learned lower authorities' although the credit of its cash in hand and regular business sales could not be altogether denied as well. Faced with this situation, we hereby conclude with a *lumpsump* addition of Rs. 2 lakhs in the assessee's hands would be just and proper with a rider that the same shall not be treated as precedent . The assessee gets relief of Rs. 5.68 lakhs in other words. Its instant appeal ITA No. 8530/Del/2025 is partly accepted.

<u>Sh. Archit Jain's appeal in ITA No. 8535/Del/2025 for A.Y. 2023-24</u>

10. Learned counsel's solitary substantive argument raised in the instant appeal is that the assessee/director has been assessed for section 69A alleged out of books rates etc, unexplained money additions of Rs. 46 lakhs & 15 lakhs; respectively, which already stand assessed in the company's hands i.e., M/s RNT Metals Private Limited. No satisfactory reply to this effect has come from the Revenue side before us, during the course of hearing. Be that as it may, we are of the considered view that once the learned lower authorities have already added the aforesaid alleged twin

sum(s) in the company's hands, these additions in the assessee/director's case could not be sustained being an instance of double addition in principle. We thus direct the learned Assessing Officer to carry out his afresh factual verification and reconciliation regarding the assessment of the assessee's foregoing twin additions in the company's hands and finalise his consequential computation as per law. This assessee's appeal ITA No. 8535/Del/2025 is allowed for statistical purposes.

11. To sum up, this company's three appeals ITA Nos. 8528 to 8530/Del/2025 are allowed, allowed and partly allowed; respectively and the director assessee's appeal ITA No. 8535/Del/2025 is allowed for statistical purposes; respectively, in foregoing terms. A copy of this common order be placed in the respective case files.

Order pronounced in the open court on 23.09.2026.

Sd/-	Sd/-
SANJAY AWASTHI	**SATBEER SINGH GODARA**
ACCOUNTANT MEMBER	**JUDICIAL MEMBER**

New Delhi
Dated: 23.09.2026
Pooja Mittal, Sr. PS.
Copy to:

1	**RNT METALS PVT LTD** E-44 E-2, E-44 F1, RIICO INDL AREA, KHUSHEKHERA BHIWADI, RAJASTHAN, BHIWADI-301019
2.	**ARCHIT JAIN** 186, RAM VIHAR, DELHI, NEW DELHI-110092, DELHI
3	**DCIT, CENTRAL CIRCLE-7** NEW DELHI-110055, DELHI
4	THE PCIT / CIT,
5	THE D.R., ITAT, DELHI BENCH
6	GUARD FILE

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