IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH "DB" NEW DELHI

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

ITA No.417/DDN/2026
Assessment Year: 2016-17

TSERING DOLKAR H.No.56, TDTCP, Tibetan Colony, Tapowan Ashram, Nalapani, Dehradun 248001, Uttarakhand. PAN No. ASVPD0029R	**Vs.**	INCOME TAX OFFICER, Ward 1(1)(3), Income Tax Bhawan, Subhash Road, Dehradun 248001, Uttarakhand.
Appellant		**Respondent**

Assessee by	Shri Rajiv Sahni, CA
Revenue by	Shri Mohan Lal Joshi, Sr. DR (VC)

Date of hearing:	17.11.2026
Pronouncement on	20.11.2026

O R D E R

PER SANJAY AWASTHI, ACCOUNTANT MEMBER:

1. This appeal arises from order dated 19.12.2025, passed u/s 250 of the Income Tax Act, 1961 (hereafter as "the Act"), by NFAC.

1.1 In this case, the assessee had not filed any return of income for AY 2016-17, but had made high value cash deposits aggregating to Rs.59.95 lakhs in her bank account. It is seen that the assessee remained largely non-compliant to the notices issued by the Ld. AO, however, she later filed a return of income on a presumptive basis by claiming that the said cash deposits were a result of retail trading of hosiery and garments. Thereafter, the Ld. AO found Rs.13,00,000/- as explained and added the remaining amount of Rs.46.95 lakhs as unexplained money u/s 69A of the

Act, r.w.s. 115BBE of the Act. It is important to note at this stage that on the last paragraph of the order u/s 148A(d) of the Act the following is recorded:

> "*On careful consideration of information available and the information gathered it is crystal clear that the assessee has* ***purchased immovable property for Rs.59,95,700/-*** [Emphasis added] *which has not been disclosed/escaped assessment. In absence of any submission on the part of the assessee, I holding that the sum of Rs.59,95,700/- on the above transactions represent income of the assessee in the form of 'Asset' as per Section 149(1)(b) read with the Explanation to Section 149(1) of the Act, 1961.*"

Incidentally this portion of the order u/s 148A(d) of the Act has not been fully extracted in the Ld. AO's order but since this would have a material bearing on the outcome of this case, it is deemed fit to emphasize this point.

1.2 The aggrieved assessee had approached the Ld. CIT(A) with her grievance but could not succeed on the basis of rather short findings given on pages 3 & 4 of the impugned order. Briefly, the Ld. CIT(A) has held that the assessee has not been able to substantiate her claim regarding the impugned deposits in the bank account.

1.3 The aggrieved assessee has approached the ITAT with grounds challenging the assumption of jurisdiction as well as grounds on merits. The assessee has also filed an application under Rule 11 of the ITAT Rules, 1963 for amending the grounds of appeal. Through these amended grounds of appeal, the illegality of the AO's order has been forcefully

challenged on the grounds of an alleged illegal assumption of jurisdiction.

2. Before us the Ld. AR argued that while the Ld. AO has categorically recorded in the order u/s 148A(d) of the Act that the contentious issue pertains to investment in immovable property but eventually the addition was made on the basis of cash deposits in the bank account. The Ld. AR relied on several authorities to canvass the point that the ground on which a case is reopened has to necessarily find mention in the assessment order, in the eventual addition to the income. The Ld. AR pointed out that while the reopening was done for verifying investment in immovable property but eventually the addition was made on account of alleged unverified cash deposits in the bank account.

2.1 The Ld. DR relied on the orders of the authorities below.

3. We have heard the rival submissions and have gone through the records before us. We find that the reopening has been done on the basis of cash deposits amounting to Rs.59,95,700/- which was deposited in the bank account of the assessee. However, in the order u/s 148A(d) of the Act it is duly recorded [as extracted supra] that the amount of Rs.59,95,700/- represented investment in immovable property. To this extent we find that eventually the Ld. AO has made an addition of Rs.46,95,000/-, after allowing the benefit of deposits of Rs.13,00,000/-. At this stage, we can do no better than to rely on the case of ATS

Infrastructure Limited reported in 473 ITR 595 (Del.), order dated 18.07.2024, wherein it has been recorded as under:

> *"23. It becomes evident that the Court in Ranbaxy Laboratories Ltd. (supra) 336 ITR 136 (Del.), firstly took into consideration Section 147 of the Act, embodying the phrase "and also" prefixed to the expression "any other income chargeable to tax which has escaped assessment". It thus came to the conclusion that, while an assessment may be reopened based on certain grounds which may have led the AO to be of the opinion that income chargeable to tax had escaped assessment, once it is found that the reassessment power had been validly invoked, the power of the AO would not stand confined only to those aspects which may have been noticed in the original notice issued under Section 148 of the Act but would also extend to any other income which may be found to be exigible to tax.*
> *24. This clearly appeals to reason, since Section 147 of the Act embodies a power to assess, reassess as well also to recompute. Consequently, and once that power is validly invoked, the original assessment would cease to exist in the eyes of law. Undoubtedly, once an assessment already made comes to be reopened, the AO stands empowered statutorily to undertake an assessment afresh in respect of the entire income which may have escaped assessment. However, the only additional caveat which Ranbaxy Laboratories Ltd. enters is with respect to a situation where, in the course of reassessment, the AO ultimately comes to the conclusion that no additions or variations were warranted in respect of the heads or items of income which had formed the basis for initiation of action under Section 148 of the Act. It is in the aforesaid backdrop that the Court in Ranbaxy Laboratories Ltd. (supra) proceeded on facts to hold that since no additions had ultimately been made in respect of items such as club fees, gifts and presents, and which constituted the basis for initiation of reassessment, it would not be open to the AO to revise or modulate findings on any other head or items that may have been dealt with in the original assessment.*
> *25. The position in law which emerges from the aforesaid discussion is that while it is true that the AO would have to establish that reassessment is warranted on account of information in its possession which appears to indicate that income chargeable to tax had escaped assessment, once the assessment itself is reopened it would not be confined to those subjects only. This would, however, be subject only to one additional rider and that being if, in the course of reassessment, the AO ultimately comes to conclude that no additions or modifications are warranted under those heads, it would not be entitled to make any additions in respect of other items forming part of the original return."*

Considering the interpretation of statute in the above extract, we have no hesitation in holding that the Ld. AO could not have made the impugned addition on an issue which was not the subject matter of re-opening. Accordingly, even the assumption of jurisdiction is bad in law. Accordingly, the assessment order is hereby quashed.

4. In the result, the appeal of the assessee is allowed.

Order pronounced in the open court on 20.11.2026

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

Dated: 20.11.2026

**Kavita Arora, Sr. P.S.*

Copy forwarded to:

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

ASSISTANT REGISTRAR
ITAT, NEW DELHI