

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCHES 'B': NEW DELHI.**

**BEFORE SHRIS.RIFAUR RAHMAN, ACCOUNTANT MEMBER  
and  
SHRI VIMAL KUMAR, JUDICIAL MEMBER**

**ITA No.4406/Del/2025  
(Assessment Year: 2018-19)**

Standard Castings Private Limited,  
A – 3, 3<sup>rd</sup> Floor, Phase – I,  
Mayapuri Industrial Area, Mayapuri,  
Delhi – 110 064.

vs.

ITO, Ward 24(1),  
Delhi.

**(PAN : AABCS0787L)**

(APPELLANT)

(RESPONDENT)

ASSESSEE BY :Shri Satyen Sethi, Advocate

Shri A.T. Panda, Advocate

REVENUE BY : Shri Rajesh Kumar Dhanesta, Sr. DR

Date of Hearing : 26.08.2025

Date of Order : 19.11.2025

**ORDER**

**PER S. RIFAUR RAHMAN, ACCOUNTANT MEMBER :**

1. The assessee has filed appeal against the order of the Learned Commissioner of Income-tax (Appeals)/National Faceless Appeal Centre (NFAC), Delhi [“Ld. CIT(A)”, for short] dated 17.06.2025 for the Assessment Year 2018-19.
2. Brief facts of the case are, assessee filed its return of income for AY 2018-19 on 21.09.2018 declaring total income at Rs.nil under the normal provisions and declared profit of Rs.5,57,01,251/- as per the provisions of

section 115JB of the Income-tax Act,1961 (for short 'the Act') The return of income was processed u/s 143(1) of the Act on 21.12.2019, wherein the total income is computed at Rs.7,08,56,368/-. In computing the total income, the set off of business loss of Rs.12,03,32,271/- was not allowed.

3. Aggrieved, assessee filed a rectification application u/s 154 before the CPC. However, the CPC vide order dated 21.12.2019 has intimated the assessee that rectification rights have been transferred to Jurisdictional Assessing Officer (JAO).
4. Subsequently, the case was selected for scrutiny under E-assessment Scheme 2019. After considering the details submitted by the assessee, the Assessing Officer has not made any addition in the assessment order completed u/s 143(3) and has accepted the computation of capital gains and details of income filed by the assessee. However, for computing the total income, the Assessing Officer has taken the income as determined u/s 143(1) of the Act.
5. Aggrieved assessee preferred an appeal before the NFAC, Delhi and filed grounds of appeal and also filed detailed submissions which are reproduced in the impugned appellate order at pages 3 to 9. Brief submissions made by the assessee are that the assessee had sold industrial plot in Mayapuri Industrial Area, Phase 1, New Delhi with super-

structure including terrace rights to M/s. Courage Infotech Pvt. Ltd. for a consideration of Rs.19.70 crores vide registered sale deed dated 12.06.2017. The assessee has submitted computation of capital gain and further submitted that while filing the return of income it inadvertently punched 'Row 3c' of Schedule BP instead of 'Row 3b' i.e. instead of punching in row of capitals gains, it has wrongly punched on the row of other sources. Assessee has noticed the above said mistake in order processed u/s 143(1) of the Act on which CPC has determined the total income of Rs.7,08,56,368/- against the nil income under regular computation. In so computing the income, set off of business loss of Rs.12,03,32,271/- was not allowed. Further assessee also filed a rectification. It was also brought to the notice of the ld. CIT (A) that assessment u/s 143(3) was completed, however the AO chose to retain the demand as per section 143(1) of the Act and prayed that the order passed u/s 143(1) is merged with assessment order u/s 143(3).

6. After considering the detailed submissions of the assessee, ld. CIT (A) rejected the plea of the assessee with the observation that Assessing Officer has not made any addition in the assessment order completed u/s 143 (3) and has accepted the computation of capital gains and details of income filed by the assessee. However, for computing the total income, the Assessing Officer has determined the income as per section 143(1) of

the Act. From the above facts, it is evident that grounds of appeal did not relate to the impugned assessment order passed u/s 143(3), therefore, it is beyond the scope of this appeal to decide the adjustment made by the CPC while processing the return of income u/s 143(1) of the Act. In this regard, Id. CIT (A) relied on the decision of ITAT, Chennai in the case of Sadish Paul vs. DCIT in ITA No.787/Chny/2025 order dated 11.06.2025. Accordingly, he dismissed the appeal filed by the assessee.

7. Aggrieved assessee is in appeal before us raising following grounds of appeal :-

“1. That on the facts and circumstances of the case and in law, the Commissioner of Income tax (Appeals) – National Faceless Appeal Centre, Delhi [‘the CIT(A)’] has erred in upholding the assessment at the total income of Rs.19,00,42,605/-. The Appellant denies its liability to be assessed at the income of Rs.19,00,42,605/-.

2. That on the facts & circumstances of the case and in law, the CIT(A) has erred in holding that the grievance of the Appellant does not emanate from the assessment order under appeal dated 31.01.2021 and hence, the appeal is not maintainable.

2.1 That on the facts & circumstances of the case and in law, CIT(A) failed to appreciate that the computation sheet is part of the assessment and the total income was computed after due application of mind to the issue, inasmuch as, by the notice u/ s 142(1) of the Act dated 01.12.2020, seeking evidence of purchase and sale of Mayapuri property, explanation of the Appellant was sought why the difference between sale consideration of Rs.19,70,00,000/- and Rs.18,60,97,760/- be not added to the income.

2.2 That on the facts & circumstances of the case and in law, CIT(A) did not appreciate that since the Assessing Officer had maintained the adjustment (addition) made by the intimation dated 21.12.2019, therefore, merely because there was no discussion in the assessment order, it cannot be said that the issue does not emanate from the assessment made.

2.3 That on the facts & circumstances of the case and in law, CIT(A) did not appreciate that Sadish Paul v. DCIT [ITA No.787 /Chy/2025 dated

11.06.2025] was not applicable, for it was rendered in different factual background.

2.4 That on the facts & circumstances of the case and in law, CIT(A) failed to appreciate that the intimation under Section 143(1) dated 21.12.2019 stands merged with assessment order passed under Section 143(3) dated 31.01.2021.

3. That on the facts & circumstances of the case and in law, CIT(A) erred in not appreciating that though the capital gain of Rs.19,00,42,605/- was declared in the return, however, inadvertently, the same was punched in row 3c of Schedule BP, whereas, it should have been punched in row 3b, which fact is evident from Schedule CG, wherein the capital gain of Rs.12,07,86,014/- was declared. Hence, the error was mere technicality.”

8. At the time of hearing, ld. AR of the assessee submitted that ld. CIT (A) dismissed the appeal of the assessee as not maintainable. In this regard, he brought to our notice page 68 of the paper book which is the return of income filed by the assessee for AY 2018-19 and details containing capital gains wherein assessee has declared the capital gains both short term and long term capital gains and also brought to our notice that assessee has claimed set off of carry forward of earlier business loss. Further he drew our notice page 89 of the paper book which is the Schedule BP and computation of income for business or profession. Assessee inadvertently filled the ‘row 3c’ which is relating to other source of income instead of filing the ‘row 3b’ relating to capital gains. He submitted that assessee did not have any income under the head ‘income from other sources’ except declared income under the head ‘capital gains’. The mistake was apparent, however, CPC has proceeded to complete the assessment u/s 143(1) based on the return of income filed

by the assessee. Assessee also filed application u/s 154 of the Act. Further he submitted that the assessment u/s 143(3) was completed accepting the return of income and computation of income filed by the assessee without making any adjustment. However, the Assessing Officer has retained the profit determined u/s 143(1) even though he has not found any mistake in the return of income filed by the assessee. He submitted that the proceedings u/s 143(1) is merged with section 143(3), that being the case, the Assessing Officer should have determined the tax liability only on the basis of assessment completed u/s 143(3) and he prayed that Id. CIT (A) has dismissed the appeal of the assessee which is not proper.

9. On the other hand, Id. DR of the Revenue relied on the findings of the lower authorities.
10. Considered the rival submissions and material placed on record. We observe that assessee while filing the return of income declared all the heads of income properly as earned by the assessee during the year under consideration. However, by inadvertent mistake, the assessee has filled the Schedule BP wrongly. The income earned by the assessee from capital gains under the row 'other sources' even though assessee has not declared any income from other sources. This mistake was apparent and CPC has not considered the above mistake in the return of income filed

by the assessee. It is fact on record that assessee also field rectification applicable u/s 154 which was not considered by the CPC and intimated to the assessee that the right of modification is transferred to JAO. Subsequently, the case of the assessee was selected for scrutiny and after completing the regular assessment u/s 143(3), the Assessing Officer has not found any mistake or proposed any adjustment. Since the assessee has declared all the income in its return of income and only made a typo error while filing the return of income, the Assessing Officer while completing the regular assessment accepted the same and not proposed any adjustment based on the information submitted before him. However, he retained the adjustment made u/s 143(1) even though the assessee has brought to the knowledge that CPC has intimated to them that rectification rights are passed on to JAO. In our considered view, Assessing Officer should have considered the plea and made the rectification in the order passed u/s 143(1). Aggrieved with the above order, when assessee preferred an appeal before the Id. CIT (A), Id. CIT(A) rejected the plea of the assessee with the observation that the issue under consideration is relating to section 143(1) since assessee has filed the appeal against the order passed u/s 143(3). It is beyond his jurisdiction by relying on the decision of Sadish Paul (supra) of the ITAT, Chennai Bench. In the above said decision, the ITAT has adjudicated

that assessee cannot file an appeal against the order passed u/s 143(1) when the Assessing Officer has passed rectification order u/s 154 of the Act. The order passed u/s 154 is appealable order and the assessee cannot file an appeal against the order passed u/s 143(1) of the Act. Therefore, it was held that Id. CIT (A) has rightly rejected the plea of the assessee with the observation that the doctrine of merger would not applicable and both the orders u/s 143(1) and 154 operate on independent plains and are separately appealable. The above findings are distinguishable in the facts of the present case. Once the case of the assessee is selected for complete scrutiny, the order passed u/s 143(1) is merged with regular assessment. It is an accepted fact that the order passed u/s 143(1) is only summary assessment wherein arithmetical error, incorrect claim, incorrect claim of losses/expenditure and deductions claimed by the assessee in the return of income are verified. Once the case is selected for scrutiny the order passed u/s 143(1) is merged with the regular assessment and if there is any mistake apparent on record in the return of income, it is open for the JAO to process the same and make the adjustment. In the given case, the apparent mistake was brought to the notice of CPC by filing a rectification application u/s 154 of the Act. The CPC has intimated to the assessee that rectification rights are transferred to the JAO. It clearly indicates that the process of rectification and regular assessment are in the

hands of JAO, therefore, when the JAO completes the assessment and does not find any mistake in the return of income and complete the assessment without there being any adjustment. The apparent mistake in the return of income filed by the assessee, which by mistake CPC has processed, however the same issue under consideration is open for the JAO to make the rectification/adjustment. In the given case, the Assessing Officer has not acted upon the apparent mistake of return of income and relevant rectification application brought to his notice, rejecting of adjustment proposed by the CPC u/s 143(1) after completion of regular assessment u/s 143(3) is uncalled for and negligence on the part of Assessing Officer. Therefore, we are inclined to direct the Assessing Officer to rectify the mistake apparent on record and delete the demand raised in order passed u/s 143(1) of the Act.

11. In the result, the appeal filed by the assessee is allowed.

**Order pronounced in the open court on this 19<sup>TH</sup> day of November, 2025.**

**SD/-  
(VIMAL KUMAR)  
JUDICIAL MEMBER**

**SD/-  
(S. RIFAUR RAHMAN)  
ACCOUNTANT MEMBER**

**Dated: 19.11.2025  
TS**

Copy forwarded to:

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

ASSISTANT REGISTRAR