

IN THE INCOME TAX APPELLATE TRIBUNAL, DELHI 'G' BENCH,  
NEW DELHI

BEFORE MS. MADHUMITA ROY, JUDICIAL MEMBER, AND  
SHRI NAVEEN CHANDRA, ACCOUNTANT MEMBER

ITA No. 4241/DEL/2024 [A.Y. 2012-13]

Shamim Ahmad  
667/01, South Khalapar  
Muzaffarnagar, U.P

Vs.

The I.T.O  
Ward -3(2)(4)  
Muzaffarnagar

PAN - AGOPA 0369 E

(Applicant)

(Respondent)

Assessee By : Shri Ankit Gupta, Adv  
Department By : Shri Manish Gupta, Sr. DR

Date of Hearing : 14.01.2026  
Date of Pronouncement : 04.02.2026

**ORDER**

**PER NAVEEN CHANDRA, ACCOUNTANT MEMBER:-**

This appeal by the assessee is directed against the order of the ld. NFAC, Delhi dated 18.07.2024 pertaining to A.Y 2012-13.

2. Briefly stated, the facts of the case are that the assessee is engaged in the trading of live stock i.e. animals such as old buffalos, bulls, jhota and unused milkless animals. The assessee filed his return of income on

25.7.2012 declaring an income of Rs. 4,99,507/-. The case was reopened vide notice u/s 148 dated 28.03.2019 and completed u/s 143(3) r.w.s 147 at an income of Rs. 38,56,085/- after making additions of Rs. 33,56,558/- on account of estimation of net profit by applying 2% of the turnover of Rs. 19,53,03,238/ as against the declared N.P. @ 0.28% by the assessee.

3. Aggrieved, the assessee went in appeal before the CIT(A) who confirmed the same. Now the aggrieved assessee is before us.

4. The ld AR of the assessee vehemently argued that the case of the assessee was reopened for the reason that in comparative case, the net profit is 2% whereas the assessee is showing 0.28 percent which is very low. The ld AR argued that such reason cannot be considered a valid reason for reopening. The ld AR also pointed out that similar addition made on the basis of Net Profit @ 2.75%, was deleted by the ITAT in the assessee's own case for AY 2014-15 in ITA 1046/Del/2018 vide order dated 24.10.2024.

5. Per contra the ld DR relied on the orders of lower authorities.

6. We have heard the rival submissions and have perused the relevant material on record. We are of the considered view that assessee showing low Net profit rate cannot be considered as valid reasons for escapement of income and reopening the assessment under the provisions of section 147 of the Act. We are of the view that there is stark absence of live nexus

between the tangible material available on record and reasons recorded to take a view that the assessee is showing low net profit.

7. Furthermore, we find that the CIT(A) had confirmed the addition on the basis of Net Profit @ 2.75% on account of the fact that the same was upheld by the CIT(A) in AY 2014-15. It now transpires that the ITAT in ITA 1046/Del/2018 vide order dated 24.10.2024 for AY 2014-15, had deleted the addition on net profit and accepted the net profit shown by the assessee. In view of the factual matrix of the case therefore, we are of the considered view that the reasons recorded for reopening the assessment are not valid and sustainable in law. Accordingly, we quash the notice u/s 148 as also the reassessment order. The grounds 1 to 3 is allowed. Since we have quashed the reassessment notice on legal ground, we do not dwell on merits.

8. In the result, the appeal of the assessee in ITA No. 4241/DEL/2024 is allowed.

The order is pronounced in the open court on 04.02.2026.

Sd/-  
[MADHUMITA ROY]  
JUDICIAL MEMBER

Sd/-  
[NAVEEN CHANDRA]  
ACCOUNTANT MEMBER

Dated: 4<sup>th</sup> February, 2026.

VL/

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asst. Registrar,  
ITAT, New Delhi

Sl No.	PARTICULARS	DATES
1.	<i>Date of dictation of Tribunal Order</i>	
2.	<i>Date on which the typed draft order is placed before the Dictating Member</i>	
3.	<i>Date on which the typed draft order is placed before the other Member [in case of DB]</i>	
4.	<i>Date on which the approved draft order comes to the Sr. P.S./P.S.</i>	
5.	<i>Date on which the fair Order is placed before the Dictating Member for sign</i>	
6.	<i>Date on which the fair order is placed before the other Member for sign [in case of DB]</i>	
7.	<i>Date on which the Order comes back to the Sr. P.S./P.S for uploading on ITAT website</i>	
8.	<i>Date of uploading, inf not, reason for not uploading</i>	
9.	<i>Date on which the file goes to the Bench Clerk</i>	
10.	<i>Date on which the file goes for Xerox</i>	
11.	<i>Date on which the file goes for endorsement</i>	
12.	<i>The date on which the file goes to the Superintendent for checking</i>	
13.	<i>Date on which the file goes to the Assistant Registrar for signature on the order</i>	
14.	<i>Date on which the file goes to the dispatch section for dispatch the Tribunal order</i>	
15.	<i>Date of Dispatch of the Order</i>	
16.	<i>Date on which the file goes to the Record Room after dispatch the order</i>	