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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ W.P.(C) 6094/2025 and CM APPL. 27850/2025

MOHAN MART PRIVATE LIMITED .....Petitioner

Through: Mr Mani Bhadra Jain, Advocate.

versus

INCOME TAX OFFICER WARD 17 1 DELHI & ANR. .....Respondents

Through: Mr Abhishek Maratha, SSC with Mr Apoorv Agarwal and Mr Parth Samwal, JSCs.

CORAM:
HON'BLE MR. JUSTICE VIBHU BAKHRU
HON'BLE MR. JUSTICE TEJAS KARIA

ORDER

% 01.07.2025

1. The petitioner has filed the present petition, *inter alia*, impugning an assessment order dated 28.03.2025 [**impugned assessment order**], whereby the Assessing Officer [**AO**] has made a total addition of a sum of ₹3,21,04,891/- under Section 68 of the Income Tax Act, 1961 [**the Act**]. In addition, the AO has also made an addition of sum of ₹1,90,56,735/- on account of cessation of liability.

2. The AO made the said additions on the premise that the entity to which sales were made [M/s Irenia Impex Pvt. Ltd.] was a bogus entity. The said assessment order was made pursuant to reassessment proceedings that were initiated by issuance of notice dated 14.03.2024 under Section 148 of the Act. The said notice was issued on the basis of an investigation report alleging that the petitioner had made bogus purchases of an amount of

₹3,21,04,891/- from M/s Irenia Impex Pvt. Ltd. However, during the assessment proceedings it was found that the petitioner had made sales of ₹3,21,04,891/- to M/s Irenia Impex Pvt. Ltd. According to the petitioner, it had also received advances for purchases from the same entity during the the prior year and had adjusted an amount of ₹1,90,56,735/- from the sale consideration. However, the AO not only added the amount of sales made to the alleged bogus entity but also the amount, which is adjusted from the sale consideration.

3. In view of above, this court had issued a notice on 08.05.2025. Mr Agarwal, learned counsel for the Revenue had sought time to take instructions. He now states, on instructions, that the impugned assessment order may be set aside and the matter be remanded to the AO for consideration afresh. The said course commends to this court. Accordingly, the impugned assessment order is set aside and the matter is remanded to the AO for consideration afresh in accordance with law.

4. The petition is disposed of in the aforesaid terms. Pending application is also disposed of.

VIBHU BAKHRU, J

TEJAS KARIA, J

JULY 01, 2025/tr

Click here to check corrigendum, if any