

**IN THE INCOME TAX APPELLATE TRIBUNAL
“SMC” BENCH, COCHIN**

Before Shri Inturi Rama Rao, Accountant Member

ITA No.210/Coch/2025 : Asst.Year 2015-2016

Meethale Purayil Hashim Love Daleeripuram, Payangadi PO, Chengal Kannur – 670 303. PAN : AFXPH4556C.	v.	The Income Tax Officer Ward International Taxation Kozhikode.
(Appellant)		(Respondent)

Appellant by : Sri.Muhammed Ashraf, Advocate

Respondent by : Sri.Sanjith Kumar Das, CIT-DR

Date of Hearing : 26.03.2025	Date of Pronouncement : 08.04.2025
-------------------------------------	---

ORDER

This appeal filed by the assessee is directed against the final assessment order dated 21.01.2025 passed u/s.144C(13) r.w.s. 147 of the Income-tax Act, 1961 (“the Act”) for the assessment year 2015-2016.

2. Briefly the facts of the case are that the appellant is an individual and a non-resident Indian. The appellant had not filed regular return of income u/s.139(1) of the Act for the assessment year 2015-2016. The Assessing Officer (“the AO”) based on the information that the appellant had made a cash deposit during the financial year relevant to the assessment year 2015-2016, formed an opinion that the income had escaped assessment to tax. Accordingly, a notice u/s.148 was issued on 26th April, 2022. In response to the notice u/s.148 of the Act, the

appellant filed return of income declaring an income of Rs.2,22,910 on 18th May, 2022. Against the said return of income, the assessment was completed by the AO vide order dated 21.01.2025 u/s.147 r.w.s. 144C(13) of the Act at a total income of Rs.6,22,910. While doing so, the AO made an addition of Rs.4,00,00 being cash deposit made in NRO account for the alleged failure of the assessee to explain the source of the said cash deposit. The draft assessment order was passed u/s.144C(1) of the Act on 5th March, 2024 proposing to make addition of Rs.4 lakh as unexplained income. On receipt of the draft assessment order, the appellant filed objection to the said addition contending that the issue of noticed u/s.148 is barred by limitation. However, the Dispute Resolution Panel (DRP) confirmed the action of the AO by holding that the appellant had failed to respond to the notices issued u/s.148A(b) dated 26th March, 2022. Pursuant to the directions of the DRP, final assessment order was passed on 27.01.2025 by the AO passed u/s.144C(13) r.w.s. 147 of the Act.

3. Being aggrieved, the appellant is in appeal before me in the present appeal. The appellant raised the preliminary ground that the notice issued u/s.148 is barred by limitation. The first ground of appeal reads as follow:-

“As the notice u/s.148 has been issued on 18.04.2022 for the Assessment Year 2015-16 it is abinitio void as per First Proviso to Section 149(1)”

4. From the above, it is clear that no notice of reassessment can be issued after the expiry of the period of three years from the end of the

relevant financial year. From the reasons recorded for the issue of notice u/s.148 of the Act, there is no allegation that the appellant had failed to disclose any material facts necessary for making the assessment. Thus, the notice u/s.148 of the Act is invalid in law. Accordingly, the assessment made pursuant to such notice cannot be sustained in law. Therefore, the assessment order framed by the AO is bad in law and I quash the same.

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

Order pronounced on this 08th day of April, 2025.

**Sd/-
(Inturi Rama Rao)
ACCOUNTANT MEMBER**

Cochin; Dated : 08th April, 2025.
Devadas G*

Copy to :

1. The Appellant.
2. The Respondent.
3. The CIT, Cochin.
4. The DR, ITAT, Cochin.
5. Guard File.

Asst.Registrar/ITAT, Cochin