

**THE INCOME TAX APPELLATE TRIBUNAL,
DELHI BENCH "E" NEWDELHI**

**BEFORESHRISUDHIR KUMAR, JUDICIAL MEMBER
AND
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER**

**ITA No.982/Del/2025
Assessment Year: 2014-15**

Ram Ratan Hooda C/o B-50 LGF South Extension -II New Delhi 110049	Vs.	ITO Ward 45(1) Delhi
PAN No.AANPH3588D		
(Appellant)		(Respondent)

Appellant by	Sh. Shaantanu Jain, Adv
Respondent by	Sh. Dheeraj Kumar Jain, Sr. DR

Date of hearing	26.06.2025
Date of pronouncement	30.06.2025

ORDER

PER SUDHIR KUMAR JM:

The assessee preferred the appeal, challenging the order dated 23-12-2024 passed by National Face Less Appeal Centre / Commissioner of Income Tax (Appeals), Delhi (in short NFAC), passed by the

Assessing Officer order dated 22.03.2023 for A.Y. 2014-15 u/s 147 r.w.s 144 of the Income tax Act (in short “the Act”).

2. The assessee has raised following grounds of appeal;

1. *That the Ld CIT(A) has erred in law and on facts in upholding the action of the Ld. AO in assessing the income of the Assessee for an amount of Rs.79,04,910/- as against the declared income of Rs. 4,69,910/-under the assessment framed u/s 147/144/14413 of the Act.*

2. *That the Ld. CIT(A) has erred in law and on facts in upholding the reassessment order passed by the Ld. AO under Sections 147/144/1443 of the Income Tax Act, 1961, despite the lack of proper jurisdiction, barred by limitation and non-compliance with the mandatory provisions of Sections 148A, 147 to 151 of the Act.*

3. *That the Ld. CUT(A) has erred in upholding the validity of the show cause notice issued u/s 148A(b) of the Act and the order passed u/s 148A(d) of the Act, despite the fact that they suffer from jurisdictional defects, violate the principles of natural justice, and were issued without providing tangible material or specific information to the Appellant, thereby rendering them legally untenable. That the Ld. CIT(A) has failed to appreciate the fact that the order passed u/s 148A(d) of the Act is based on mere*

presumption, guesswork and these are not more than suspicion, making it invalid in the eyes of the law.

4. That the Ld. CIT(A) has wrongly upheld the reassessment order under Sections 147/144/144B of the Act passed by the Ld. AO, as there is the absence of any fresh tangible material which has come to the knowledge of the Ld. AO. The reassessment proceedings were thus initiated based on a mere change of opinion, which is impermissible in law.

5. That the Ld. CIT(A) has erred in upholding the order of the Ld. AO as the sanction/approval granted under Section 151 of the 5 Act was mechanical, lacking independent reasoning and application of mind by the sanctioning/approving authority, thereby vitiating the reassessment proceedings.

6. That the Ld. CIT(A) has erred in law and on facts in upholding the action of Ld. AO in passing the reassessment order despite 6 non-service of mandatory notice u/s 148A(b), order u/s 148A(d), notice u/s 148 and the reassessment order on the Appellant herein.

7. That having regards to facts and circumstances of the case, the Ld. CIT(A) has erred in law and on facts in upholding the action of Ld. AO in making an addition of Rs.74,35,000/-on account of cash deposits and treating the same as unexplained money us 69A r.w.s 115BBE of the Act is bad in law and against the facts 7 and

circumstances of the case. That having regards to the facts and circumstances of the case, the Ld. CIT(A) has erred in law and on facts in upholding the action of Ld. AO in making an addition of Rs.74,35,000/-on account of cash deposits in the bank A/e and that too by recording incorrect facts and findings and without observing the principle of natural justice.

8. That the assessment so framed and upheld and addition made suffers from perverse findings, contrary to the facts on record 8 and without providing material against the Appellant, which has amounted to violation of principle of natural justice and is also barred by limitation.

9. That the levy of interest under the Act is disputed and as such unsustainable in law besides being excessive.

10. The Appellant craves leave for adducing necessary evidence, amendments and explanations including written one to the aforesaid grounds and also raise additional grounds in the course of hearing of the appellate proceedings.

3. The brief facts of the case are the assessee filed his return of income on 20-12-2014 declaring total income of Rs. 4,69,910/-. The same was processed u/s 143(1) (a) on 20-05-2015. AO had information that the assessee had made cash deposits to the tune of Rs. 74,35,000/- in his bank account maintained with Axis Bank, Naresh Park Nagloi

branch during the year under consideration. The case of the assessee was reopened by issuing notice u/s 148 of the Act dated 19-07-2022 after taking the approval of the competent authority. After considering the submissions submitted by the assessee the AO completed the assessment after making the addition of Rs. 74,35,000/- u/s 69 of the Act being unexplained cash deposits of the assessee.

4. Aggrieved the order of the ld. AO the assessee preferred the appeal before the Ld. NFAC Delhi who vide order dated 23-12-2024 dismissed the appeal. Being aggrieved the order of the Ld. NFAC the assessee is in appeal before the Tribunal.

5. On hearing both the sides, it comes up that the assessee has raised the legal ground and stated that the notice which was issued on 16-06-2021 u/s 148 of the Act is barred by limitation being an issue covered by the dispute arising out of issuance of notices under the old regime and new regime of the Act with regard to reopening assessment which was settled by the Hon'ble Supreme Court in the decision Union of India vs. Rajeev Bansal⁴⁶⁹ ITR 46. Ld. counsel also relied the decision of the co-ordinate bench Prabhat Kumar vs. ACIT ITA NO. 1666/Del/2024. The co-ordinate bench held as under:

4. We find that in regard to the present assessment year, the period of limitation for issuing notices upto six years would have ended on 31.03.2020, but, due to extended period provided by virtue of the Act r.w. TOLA, the period extended till 30.06.2021. The

sanction sought to be obtained u/s 151 of the Act was upto 30.06.2021. The original notice u/s 148 which is deemed to be a show cause notice u/s 148(A)(b) of the Act was issued on 24.05.2021 and the time surviving from the date of issuance of show cause notice till the expiry of period as extended by TOLA which was 30.06.2021, would thus be additional 37 days. The notice u/s 148A(b) of the Act was issued on 28.05.2022 which was replied by the assessee on 15.06.2022. The period of deemed stay to be extended as per third proviso to section 149 would thus be 24.05.2021 to 15.06.2022 and, thus, giving benefit of 37 days from 15.06.2022, the last date for issuing notice u/s 148 was 23.07.2022 while the notice u/s 148 has been issued on 27.07.2022.

5. The Id. counsel has placed reliance on a decision of the Hon'ble Delhi High Court in the case Ram Balram Buildhome (P) Ltd. vs. ITO, 171 taxmann.com 99 (Del) to submit that in similar facts and circumstances, for AY 2013-14, the notice issued was found to be beyond limitation. For the sake of convenience, we reproduce the submissions as follows:-

<i>S. No</i>	<i>Particulars</i>	<i>Appellant's case</i>	<i>Ram Balram Buildhome (P) Ltd.</i>
<i>i)</i>	<i>Assessment Year</i>	<i>2013-14</i>	<i>2013-14</i>
<i>ii)</i>	<i>First notice issued u/s. 148 of the Act</i>	<i>24.05.2021</i>	<i>1.6.2021</i>

<i>iii)</i>	<i>Surviving time till 30.06.2021</i>	<i>37 days</i>	<i>29 days</i>
<i>iv)</i>	<i>SCN issued u/s. 148 A(b) of the Act in pursuane to directions of Hon'ble Apex court in the case of Ashish Agarwal</i>	<i>28.05.2021</i>	<i>30.03.2022</i>
<i>v)</i>	<i>Reply filed on</i>	<i>15.06.2022</i>	<i>13.06.2022</i>
<i>vi)</i>	<i>Period expired to issue notice u/s. 148 of the Act</i>	<i>23.07.2022</i>	<i>12.02.2022</i>
<i>vii)</i>	<i>Second Notice issued u/s. 148 of the Act</i>	<i>27.07.2022</i>	<i>30.07.2022</i>

"Relevant finding of the Judgment is as under:

"69. As noted above, by virtue of TOLA, the AO had period of twenty-nine days limitation left on the date of commencement of the reassessment proceedings, which began on 01.06.2021, to issue a notice under Section 148 of the Act. The said notice was required to be accompanied by an order under Section 148A(d) of the Act. Thus, the AO was required to pass an order under Section 148A(d) of the Act within the said twenty-nine days notwithstanding the time

stipulated under Section 148A(d) of the Act. This period expired on 12.07.2022.

70. Since the period of limitation, as provided under Section 149(1) of the Act, had expired prior to issuance of the impugned notice on 30.07.2022. The said is squarely beyond the period of limitation.

71. It is contended on behalf of the Revenue that the Ao is required to pass an order under Section 148A(d) of the Act by the end of the month following the month on which the reply to the Article under Section 148A(b) of the Act was received. Thus, the order under Section 148A(d) of the Act as well as the notice under Section 148 of the Act (both dated 30.07.2022) are within the prescribed period. This contention is without merit as it does not take into account that proceedings under Section 148A of the Act necessarily required to be completed within the period available for issuing notice under Section 148 of the Act, as prescribed under Section 149 of the Act. Thus, the time available to the AO to pass an order under Section 148A(d) of the Act was necessarily truncated and the same was required to be passed on or before 12.07.2022. The fourth proviso to Section 149 of the Act did not come into play as the time period available for the AO to pass an order under Section 148A(d) of the Act was in excess of the seven days.

72. In view of the above, we find merit in Mr. Sehgal's contention that the impugned notice dated 30.07.2022 has been issued beyond the period of limitation.

73. The petition is accordingly allowed and the impugned order dated 30.07.2022 passed under Section 148 (d) of the Act; the

impugned notice dated 30.07.2022 issued under Section 148 of the Act; and the assessment order dated 30.05.2023 framed under Section 147 of the Act pursuant to the notice dated 30.07.2022 for AY 2013-14, are set aside. Pending application is also disposed of."

6. The Reliance is placed upon the following judgments:

i). *171 taxmann.com 99 (High Court of Delhi) Ram Balram Buildhome (P) Ltd. vs. ITO*

ii) *W.P. (C) No. 3575/2023 dated 28.04.2025 Samajwadi Party vs. DCIT (High Court of Delhi)*

iii) *ITA 6140/Mum/2024 13.03.2025 Nilanjana Arvinder Singh vs. DCIT (ITAT, Mumbai)*

iv) *ITA 29 & 30/RPR/2025 dated 17.02.2025 DCIT vs. Sh. Vinay Agrawal (ITAT, Raipur)*

v) *ITA 307/RPR/2024 dated 05.02.2025 M/s. Kachrual Jitendra Kumar Parboiling Plant vs. ITO (ITAT, Raipur)*

vi) *ITA 6848/Mum/2024 dated 27.02.2025 Md. Salim Abdul Hakim Khan vs. ITO (ITAT, Mumbai)*

vii) *ITA 5499/Mum/2024 dated 11.03.2025 DCIT vs. Satyendra Kumar Triloknath Goyal (ITAT, Mumbai)*

viii) *ITA 3553/Mum/2024 dated 28.02.2025 ACIT vs. Ramchand ThakurdasJhamtani (ITAT, Mumbai)*

7. In the case in hand the period of limitation for issuing notices upto six years would have ended, 31-03-2021 but due to extended period provided by virtue of the Act read with TOLA, the period extended till 30-06-2021. The original notice u/s 148 of the Act which is deemed to be a show cause notice u/s 148A(b) of the Act was issued on 16-06-2021 and the time surviving from the date of issuance of

show cause notice till the expiry of period as extended by TOLA which was 30-06-2021. The notice u/s 148A(b) of the Act was issued on 18-05-2022 which was replied by the assessee on 01-06-2022. The period of deemed stay to be extended as per third proviso to section 149 (date of original notice u/s 148 of the Act till date allowed to file reply to assessee) would thus 16-06-2021 to 01-06-2022 and the last date for issuing notice u/s 148 of the Act was 15-06-2022 while the notice u/s 148 of the Act was issued on 19-07-2022. Thus, the notice issued u/s 148 of the Act is time barred.

8. In the light of the aforesaid discussion the legal ground raised by the assessee is allowed and impugned assessment order is quashed.

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

Order pronounced in the open court on 30/06/2025.

Sd/-
(MANISH AGARWAL)
ACCOUNTANT MEMBER

Dated:30 June,2025

“Neha, Sr. PS”

Copy forwarded to:

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

Sd/-
(SUDHIR KUMAR)
JUDICIALMEMBER

Asst. Registrar, ITAT, Delhi