

**IN THE INCOME TAX APPELLATE TRIBUNAL "F" BENCH
MUMBAI
BEFORE MS. KAVITHA RAJAGOPAL, JUDICIAL MEMBER
AND
SMT. RENU JAUHRI, ACCOUNTANT MEMBER**

**ITA No. 1998/MUM/2025
(Assessment Year: 2014-15)**

&

**ITA No. 1999/MUM/2025
(Assessment Year: 2016-17)**

Jagdish Raghunathji Lahoti 27/31, 4 th Floor, Bootwala Building, Old Hanuman Lane, Kalbadevi 400002	Vs.	Assistant Commissioner, Circle 23(1), Mumbai 113, 1 st Floor, Matru Mandir, Tardeo Road, Mumbai 400007
स्थायी लेखा सं./जीआइआर सं./PAN/GIR No: ABXPL4596N		
(Appellant)		(Respondent)

निर्धारिती की ओर से / Assessee by:	Shri. Ajinkya Vaishampayan
/Revenue by:	Shri Vivek Perampurna CIT-DR

Date of Hearing	13.08.2025
Date of Pronouncement	18.09.2025

आदेश/ORDER

PER RENU JAUHRI [A.M]:

These appeals are filed by the assessee against the order of the National Faceless Appeal Centre (NFAC), Delhi (hereinafter referred to as "CIT(A)") dated 24.01.2025 passed u/s. 250 of the Income-tax Act, 1961 [hereinafter referred to as "Act"] for Assessment Year [A.Y.] 2014-15 & 2016-17.

2. The assessee has raised the following grounds of appeal:

ITA No. 1998/Mum/2025 AY 2014-15

"1. The Ld. CIT(A)-NFAC erred in confirming the income assessed by the Ld. Assessing Officer at Rs.2,36,89,979/- without adjudicating all the grounds and basically based on information derived in the course of search at the place of third party can be assessed only u/s 153C of the Act.

2. The Ld. CIT(A)-NFAC erred in not adjudicating the validity of notice issued u/s 148 r.w.s. 149. The notice issued u/s 148, for A.Y. 2014-15 is invalid and liable to be squashed in light of the decisions of

a) The Hon'ble Supreme Court in the case of UOI Vs. Rajeev Bansal [2024] 167 taxmann.com 70 (SC) and

b) The Hon'ble Bombay High Court in the case of Godrej Industries Vs. ACIT [2024] 160 taxmann.com 13 (Bombay) and

c) The Hon'ble ITAT Mumbai 'C' Bench in the case of ITO 10(3)(1), Mumbai Vs. Pushpak Realities Pvt. Ltd. (ITA No. 4812, 4814, 4816/MUM/2024).

3. The notice u/s 148 by the Jurisdictional Assessing Officer, instead of Faceless Assessing Officer is invalid and illegal, liable to be quashed in the light of the decision of Hon'ble Bombay High Court in the case of Hexaware Technologies Ltd. Vs. ACIT, Circle 15(1)(2), [2024] 162 taxmann.com 225 (Bombay).

4. The action of the Ld. Assessing Officer to issue Notice u/s 148 and completing the assessment u/s 147 is bad in law as the alleged cash deposit is noticed in the search at the place of third party and cannot be assessed u/s 147 instead of section 153C of the Act.

The Assessee requests to add, delete, alter or amend any of the grounds of appeal.”

ITA No. 1999/Mum/2025 AY 2016-17

“1. The Ld. CIT(A)-NFAC erred in confirming the income assessed by the Ld. Assessing Officer at Rs. 10,99,11,581/- without adjudicating all the grounds and basically based on information derived in the course of search at the place of third party can be assessed only u/s 153C of the Act.

2. The notice u/s 148 by the Jurisdictional Assessing Officer, instead of Faceless Assessing Officer is invalid and illegal, liable to be quashed in the light of the decision of Hon'ble Bombay High Court in the case of Hexaware Technologies Ltd. Vs. ACIT, Circle 15(1)(2), [2024] 162 taxmann.com 225 (Bombay).

3. The Ld. AO erred on obtaining approval from inappropriate authority i.e. of Pr.CIT-19, Mumbai, instead Pr. CCIT/CCIT/Pr. DGIT/DGIT as prescribed u/s 151 of the Act, as period of three years lapsed from the end of Assessment Year. The issue is squarely covered by the decision of Hon'ble Bombay High Court in the case of Siemens Financial Services (P.) Ltd. Vs DCIT [2023] 184 taxmann.com 159 (Bombay) and held by Hon'ble Apex Court in the case of UOI Vs Rajeev Bhansal [2021] 167 taxmann.com 70 (SC).

4. The Hon'ble CIT(A) - NFAC failed to note that the learned AO erred in making an addition on account of cash deposit of Rs. 10,94,97,411/-in the bank account with Renuka Mata Multi State urban Co-operative Credit Society Ltd. on the ground that the assessee has failed to prove the sources of the said cash deposited in the bank account and accordingly, addition was warranted u/s 69A of the Act.

5. *The action of the Ld. Assessing Officer to issue Notice u/s 148 and completing the assessment u/s 147 is bad in law as the alleged cash deposit is noticed in the search at the place of third party and cannot be assessed u/s 147 instead of section 153C of the Act.*

6. *Without prejudice to the above grounds the assessee submits that there are cash deposits and withdrawals in the said bank account and accordingly, only the peak credit of the cash deposits should have been as an income of the assessee.*

The Assessee requests to add, delete, alter or amend any of the grounds of appeal.”

3. Since similar issues are involved in both the appeals, these are being disposed of by a common order.

ITA No. 1998/MUM/2025 AY 2014-15

4. Brief facts of the case are that the assessee filed return declaring income of Rs. 3,22,350/- on 30.03.2015 for AY 2014-15. The return was processed u/s. 143(1) of the Act. Subsequently, during a search and seizure action u/s. 132 carried out in the case of *M/s. Shree Renuka Mata Multi State Urban Cooperative credit society Limited*, it was found that the assessee had made a cash deposit of Rs. 2,33,67,629/-. Accordingly, a notice u/s. 148A(b) was issued on 25.05.2022 to the assessee with respect to unexplained and unverified cash deposit of Rs. 2,33,67,629/- with the cooperative society. Since the assessee did not submit any reply to the notice, an order u/s. 148A(d) was passed on 23.07.2022 and notice u/s. 148 was also issued on the same date. Since no compliance to any of the notices was made by the assessee during the course of reassessment proceedings, Ld. AO finalised the assessment ex-parte u/s. 147 r.w.s 144 r.w.s 144B vide order dated 15.05.2023, after making an addition of Rs. 2,33,67,629/- u/s. 69 of the Act. Aggrieved with the order of Ld. AO the

assessee preferred an appeal before the Ld. CIT(A), who has set aside the order of Ld. AO for making a fresh assessment after considering the assessee's submissions.

4.1. Aggrieved with the order of Ld. CIT(A), the assessee has filed an appeal before the Tribunal on the ground that Ld. CIT(A) did not adjudicate the validity of the notice issued u/s. 148 of the Act.

5. At the outset, Ld. AR submitted that apart from the other legal issues, the notice u/s. 148 itself is time barred in view of the decision of the Hon'ble Supreme Court in the case of *UOI vs. Rajeev Bansal [2024] 167 taxmann.com 70(SC)*. In this regard the following chart has been submitted by the assessee.

Particulars / Type of Notice	Relevant date / Relevant Time
Notice issued u/s 148 of Old Regime / unamended provisions	28/06/2021
Time extended by the TOLA	30/06/2021
Surviving Time between date of issue of Notice u/s 148 and 30/06/2021 (para 108 of Rajeev Bansal Decision of Hon'ble Supreme Court)	2 days
Notice issued u/s 148A(b) with relevant material	25/05/2022
Time allowed to file reply by the Assessee	2 weeks i.e. 14 days
Due date for filing reply	08/06/2022
Add: Surviving Time Limit as per 111 and 112 of the Rajeev Bansal decision of Hon'ble Supreme Court)	2 days
Due / Last date for issuing Notice u/s 148 of the New Regime / amended provisions	10/06/2022
Actual date of Notice issued u/s 148	23/07/2022

6. Ld. DR, on the other hand, submitted that the matter may be remanded back to either the Assessing Officer or Ld. CIT(A) for adjudication of the issues raised by the assessee.

7. We have heard the rival submissions and perused the material on record. From the details submitted by the Ld. AR, it is clear that the notice u/s. 148 has been issued beyond time and is, therefore, time barred as per the decision of Hon'ble Supreme Court in the case of Rajeev Bansal (supra). Ld. DR has not controverted the factual details regarding issue of notice submitted by the assessee. In view of these facts, we hold that the notice u/s. 148 was issued beyond time and is, therefore, liable to be quashed. This ground is allowed in favour of the assessee.

7.1. The assessee has also raised certain other legal grounds relating to the issue of notice by Jurisdictional Assessing Officer (JAO) instead of the Faceless Assessing Officer (FAO) as well as regarding the applicability of section 153C in this case due to the fact that impugned information was discovered during the course of search at the place of a third party and hence the same could be assessed only u/s. 153C of the Act.

7.2. Since we have already quashed the notice u/s. 148, the other legal contentions raised by the assessee have become academic and, therefore, are not been adjudicated upon.

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

ITA No. 1999/MUM/2025 AY 2016-17

9. The facts and circumstances for AY 2016-17 are identical to AY 2014-15 and the relevant dates relating to the issue of notice u/s. 148 are as under:

Particulars / Type of Notice	Relevant date / Relevant Time
Notice issued u/s 148 of Old Regime / unamended provisions	25/06/2021
Time extended by the TOLA	30/06/2021
Surviving Time between date of issue of Notice u/s 148 and 30/06/2021 (para 108 of Rajeev Bansal Decision of Hon'ble Supreme Court)	5 days
Notice issued u/s 148A(b) with relevant material	26/05/2022
Time allowed to file reply by the Assessee	2 weeks i.e. 14 days
Due date for filing reply	09/06/2022
Add: Surviving Time Limit as per 111 and 112 of the Rajeev Bansal decision of Hon'ble Supreme Court)	5 days
Due / Last date for issuing Notice u/s 148 of the New Regime / amended provisions	14/06/2022
Actual date of Notice issued u/s 148	26/07/2022

10. Since the facts of this year are similar to AY 2014-15, the notice u/s. 148 for AY 2016-17 is also hereby quashed in view the decision of Hon'ble Supreme Court in the case of Rajeev Bansal (supra).

11. Accordingly, the other legal issues raised in this year including, incorrect sanction by the PCIT instead of PCCIT/CCIT as prescribed u/s. 151, are rendered academic and hence are not being adjudicated upon.

12. In this result, both appeals of the assessee are allowed.

Order is pronounced in the open court on 18.09.2025

Sd/-
KAVITHA RAJAGOPAL
(JUDICIAL MEMBER)

Sd/-
RENU JAUHRI
(ACCOUNTANT MEMBER)

Place: Mumbai

Dated: 18.09.2025

Divya R. Nandgaonkar
Stenographer

आदेश की प्रतिलिपि अग्रेषित/Copy of the Order forwarded to:

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. आयकर आयुक्त / CIT
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण DR, ITAT, Mumbai
5. गार्ड फाईल / Guard file.

सत्यापित प्रति //True Copy//
आदेशानुसार / BY ORDER,

सहायक पंजीकार (Asstt. Registrar)
आयकर अपीलीय अधिकरण / ITAT, Bench,
Mumbai.