

**IN THE INCOME TAX APPELLATE TRIBUNAL
“B” BENCH : BANGALORE**

**BEFORE SHRI LAXMI PRASAD SAHU, ACCOUNTANT MEMBER
AND SHRI SOUNDARARAJAN K, JUDICIAL MEMBER**

ITA No.966/Bang/2025
Assessment Year : 2015-16

Nanjundaiah Chandraiah, No.343-D 17th Cross Road ,Ideal Homes Township Rajarajeshwarinagar Bangalore 560098 ,Karnataka India PAN : ACYPC 8455 B	Vs.	ITO, Ward – 3(3)(1), Bangalore.
APPELLANT		RESPONDENT

Assessee by	:	Ms. Sakshi Deshpande and Shri. V. Srinivasan, CA
Revenue by	:	Shri. Subramanian B, JCIT(DR)(ITAT), Bangalore.

Date of hearing	:	03.09.2025
Date of Pronouncement	:	11.09.2025

ORDER

Per Laxmi Prasad Sahu, Accountant Member :

This is an appeal filed by the assessee against CIT(A)'s order vide DIN & Order No: ITBA/NFAC/S/250/2024-25/1073471718(1) dated 19.02.2025 challenging the notice issued on 30.06.2021 under section 148 of the Act for the Assessment Year 2015-16, is bad in law. Therefore, the entire assessment framed by the AO is void-ab-initio as per the judgment of the Hon'ble Apex Court in the case of Union of India v. Rajeev Bansal reported in [2024] 167 taxmann.com 70(SC). The learned Counsel strongly contested that the AO has issued notice under section 148 of the Act on 30.06.2021 is bad in law because as per the judgment of Hon'ble Supreme Court noted supra, the Revenue conceded. The Additional Solicitor General of India Mr. Venkataraman has made a statement at Bar that the Revenue will drop all the

notices issued on or before 01.04.2025 related to the Assessment Year 2015-16. It is thus prayed by the learned AR that the notice issued in the instant case for Assessment Year 2015-16 under section 148 of the Act dated 30.06.2021 deserves to be dropped and consequently reassessment Order be quashed.

2. On the other hand, learned DR relied on the Order of the lower authorities.

3. Considering the rival submissions and on perusal of the entire material available on record and Orders of authorities below, we noted from the notice issued by the AO, Ward – 1(2)(1), Bangalore, that copy of notice issued u/s 148 dated 30.06.2021 is placed at Paper Book page No. 04 and assessment was completed on 24.05.2023 assessing income at Rs.1,22,13,450/- and completed the assessment under section 147 of the Act. Regarding issuance of notice after 31.03.2021, a similar issue in the case of Tuffwud India Pvt. Ltd., Vs. DCIT in ITA No.571/Bang/2025, Order dated 20.08.2025 was decided and it has been held as under:

“9. We have heard the rival submissions and perused the materials available on record. In the instant case, the appeal of the assessee was dismissed by Ld. CIT(A) against which the Assessee vide an appeal, however, since, the legal issue is raised with regard to the limitation of procedure initiated u/s 147 of the Act filed by assessee, therefore, we proceed to decide the legal issue raised by assessee first.

10. It is an admitted fact that earlier, the notice u/s 148 in the case of assessee was issued on 29/06/2021 which was dropped and proceedings u/s 148A of the Act were initiated in terms of order of Hon'ble Supreme Court in the case of Ashish Agarwal (supra) and finally the notice u/s 148 was issued on 29/07/2022. The Ld. Additional Solicitor General of India in the case of Rajiv Bansal (supra) has made categorical statement at Bar before the Hon'ble Supreme Court that all the notices issued for

Asst. Year 2015-16 on or after 1st April 2021 will be dropped, however, in the instant case, no such action was taken and re-assessment order was framed in the case of the assessee on the basis of the notice issued u/s 148 of the Act on 29/07/2022. The relevant extract of the assertion made by the Ld. Additional Solicitor General of India before the Hon'ble Supreme Court as contained in para 19(f) of the said order are reproduced as under:

"19. Mr. N. Venkataraman, learned Additional Solicitor General of India, made the following submissions on behalf of the Revenue:

a. Parliament enacted TOLA as a free-standing legislation to provide relief and relaxation to both the assesses and the Revenue during the time of COVID-19. TOLA seeks to relax actions and proceedings that could not be completed or complied with within the original time limits specified under the Income Tax Act;

b. Section 149 of the new regime provides three crucial benefits to the assesses: (i) the four-year time limit for all situations has been reduced to three years; (ii) the first proviso to Section 149 ensures that re-assessment for previous assessment years cannot be undertaken beyond six years; and (iii) the monetary threshold of Rupees fifty lakhs will apply to the re-assessment for previous assessment years;

c. The relaxations provided under Section 3(1) of TOLA apply "notwithstanding anything contained in the specified Act." Section 3(1), therefore, overrides the time limits for issuing a notice under Section 148 read with Section 149 of the Income Tax Act;

d. TOLA does not extend the life of the old regime. It merely provides a relaxation for the completion or compliance of actions following the procedure laid down under the new regime;

e. The Finance Act 2021 substituted the old regime for re-assessment with a new regime. The first proviso to Section 149 does not expressly bar the application of TOLA. Section 3 of TOLA applies to the entire Income Tax Act, including Sections 149 and 151 of the new regime. Once the first proviso to Section 149(1)(b) is read with TOLA, then all the notices issued between 1 April 2021 and 30 June 2021 pertaining to assessment years 2013-2014, 2014-2015, 2015-2016, 2016-2017, and 2017-2018 will be within the period of limitation as explained in the tabulation below:

Assessment year (1)	Within 3 Years (2)	Expiry of Limitation read with TOLA for (2) (3)	Within six Years (4)	Expiry of Limitation read with TOLA for (4) (5)
2013-2014	31.03.2017	TOLA not applicable	31.03.2020	30.06.2021
2014-2015	31.03.2018	TOLA not applicable	31.03.2021	30.06.2021
2015-2016	31.03.2019	TOLA not applicable	31.03.2022	TOLA not applicable
2016-2017	31.03.2020	30.06.2021	31.03.2023	TOLA not applicable
2017-2018	31.03.2021	30.06.2021	31.03.2024	TOLA not applicable

f. The Revenue concedes that for the assessment year 2015-16, all notices issued on or after 1 April 2021 will have to be dropped as they will not fall for completion during the period prescribed under TOLA;

g. Section 2 of TOLA defines "specified Act" to mean and include the Income Tax Act. The new regime, which came into effect on 1 April 2021, is now part of the Income Tax Act. Therefore, TOLA continues to apply to the Income Tax Act even after 1 April 2021; and

h. Ashish Agarwal (supra) treated Section 148 notices issued by the Revenue between 1 April 2021 and 30 June 2021 as show-cause notices in terms of Section 148A(b). Thereafter, the Revenue issued notices under Section 148 of the new regime between July and August 2022. Invalidation of the Section 148 notices issued under the new regime on the ground that they were issued beyond the time limit specified under the Income Tax Act read with TOLA will completely frustrate the judicial exercise undertaken by this Court in Ashish Agarwal (supra).

11. *Looking to the facts and considering the assessment year involved is 2015 16, notice issued in the case of originally on 29/06/2021 and later on 29/07/2022 which both the dates have fallen on or after 1st April, 2021, therefore, both the notice deserves to be dropped in view of the admission made by the Revenue before the Hon'ble Supreme Court. Further, for Assessment Year 2015-16, no notice u/s 148 of the Act could be issued after the expiring of six years from the end of the relevant assessment year which limitation expired on 31st March, 2022. Further, the Hon'ble Supreme Court in the case of Rajiv Bansal (supra) has observed that TOLA is not applicable for Asst. Year 2015-16, therefore, even otherwise under the old provisions of section 149 of the Act, the notice issued u/s 148 of the Act for Asst. Year 2015-16 on 29/07/2022 is barred by limitation.*

12. *This view is supported by the order of Hon'ble Delhi High Court in the case of Ibibo Group Pvt. Ltd. v. Asstt. CIT [W.P.(C) No. 17639 of 2022, dated 13-12-2024] wherein vide order dated 13.12.2024,*

the Hon'ble Jurisdictional High Court after relying upon the decision of Hon'ble Supreme Court in the case of Rajiv Bansal (supra) has quashed the notice issued u/s 148 of the Act. Further, the Hon'ble Delhi High Court in the case of Pratishta Garg v. Asstt. CIT [\[2025\] 171 taxmann.com 264 \(Delhi\)](#)/W.P.(C)-16878/2024 vide order dated 19/12/2024 has expressed the same view. Further, the Hon'ble DELHI High Court in the case of Makemytrip India Pvt. Ltd. v. Dy. CIT [\[2025\] 173 taxmann.com 497 \(Delhi\)](#)/W.P.(C) 2557/2023 vide order dated 24.03.2025 has also expressed the same view.

13. It is also relevant to mention that the Hon'ble Supreme Court in Deepak Steel & Power Ltd. v. CBDT [\[2025\] 174 taxmann.com 144/476 ITR 369 \(SC\)](#)/Civil Appeal No. 5177/2025 vide its order dated 2nd April, 2025 in the case of Deepak Steel & Power Ltd. (supra) in identical fact has allowed by SLP filed by the Revenue and disposed of the appeal by making following observations:

"2. These appeals arise from the order passed by the High Court of Orissa at Cuttack in Writ Petition (C) Nos. 2446 of 2023, 2543 of 2023 dated 1.2.2023 and 2544 of 2023 dated 10.02.2023 respectively by which the High Court disposed of the original writ petitions in the following terms:-

"1. The memo of appearance filed by Mr. S. S. Mohapatra, learned Senior Standing Counsel for Revenue Department on behalf of Opposite Parties is taken on record.

2. In view of the order passed by this Court on 1st December, 2022 in a batch of writ petitions of which W.P. (C) No.9191 of 2022 (Kailash Kedia v. Income Tax Officer) was a lead matter and the subsequent order dated 10th January, 2023 passed in W.P. (C) No.36314 of 2022 (Shiv Metallicks Pvt. Ltd., Rourkela v. Principal Commissioner of Income Tax, Sambalpur), the Court declines to entertain the present writ petition, but leaves it open to the Petitioner to raise all grounds available to the Petitioner in accordance with law including the grounds urged in the present petition at the appropriate stage as explained by the Court in those orders.

3. The writ petition is disposed of in the above terms."

3. We heard Mr. Saswat Kumar Acharya, the learned counsel appearing for the appellants (assessee) and Mr. Chandrashekhar, the learned counsel appearing for the revenue.

4. *The learned counsel appearing for the revenue with his usual fairness invited the attention of this Court to a three judge bench decision of this Court in Union of India and ors. v. Rajeev Bansal, reported in 2024 SCC OnLine SC 2693, more particularly, paragraph 19(f) which reads thus:- "19. (f) The Revenue concedes that for the assessment year 2015-2016, all notices issued on or after April 1, 2021 will have to be dropped as they will not fall for completion during the period prescribed under the Taxation and other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020."*

5. *As the revenue made a concession in the aforesaid decision that is for the assessment year 2015-2016, all notices issued on or after 1" April, 2021 will have to be dropped as they would not fall for completion during the period prescribed under the taxation and other laws (Relaxation and Amendment of certain Provisions Act, 2020). Nothing further is required to be adjudicated in this matter as the notices so far as the present litigation is concerned is dated 25.6.2021.*

6. *In view of the aforesaid, in such circumstances referred to above the original writ petition nos. 2446 of 2023, 2543 of 2023 and 2544 of 2023 respectively filed before the High Court of Orissa at Cuttack stands allowed."*

Further, the Hon'ble Supreme Court has dismissed the SLP filed by the Revenue in Asstt.CIT v. Nehal Ashit Shah [SLP (CIVIL) Diary No (s) 57209 of 2024, dated 4-4-2025] has dismissed the application filed by the Revenue by relying upon the paragraph 19E and 19F of Hon'ble Supreme Court in the case of Rajiv Bansal (supra).

Further, the Hon'ble Jurisdictional high Court of Karnataka quashed the notice issued u/s 148 on 01.04.2022 in the case of Mohammed Yasen vs ITO in Writ Petition No. 26080 of 2024 (T-IT) reported in (2025) 175 taxmann.com (Karnataka) in this case it was held that In the instant case, it is an undisputed fact that the impugned proceedings is relating to the assessment year 2015-16, while the impugned notice under section 148 dated 1-4-2022 was issued beyond/after 1-4-2021 which is impermissible in law and barred by limitation and consequently, the impugned orders/notices etc., deserve to be quashed.

14. *In view of the above facts and by respectfully following the judgments of the Hon'ble Supreme Court in the case of Rajiv Bansal (supra) and in the case of Deepak Steel & Power Limited (supra), and Nehal Ashit Shah (supra), (SC, 2025), we hold that the notice issued u/s*

148 on 29.07.2022 is barred by limitation and, therefore, the same is quashed.

15. Since the additional ground filed by the assessee is allowed in above terms , we further consider that no need to decide other legal grounds raised and on the merits of the additions .

16. In the result, the appeal of the filed by is allowed in above terms”

4. Respectfully following the above judgment, we allow appeal of the assessee.

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

Pronounced in the open court on the date mentioned on the caption page.

Sd/-

**(SOUNDARARAJAN K)
Judicial Member**

Sd/-

**(LAXMI PRASAD SAHU)
Accountant Member**

Bangalore.

Dated: 11.09.2025.

/NS/*

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|---------------|------------------------|
| 1. Appellants | 2. Respondent |
| 3. DRP | 4. CIT |
| 5. CIT(A) | 6. DR,ITAT, Bangalore. |
| 7. Guard file | |

By order

Assistant Registrar,
ITAT, Bangalore.