

आयकर अपीलीय न्यायाधिकरण में, हैदराबाद बेंच, हैदराबाद
IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad “B- SMC” Bench, Hyderabad

श्री विजय पाल राव, माननीय उपाध्यक्ष एवं श्री मंजूनाथ जी, माननीय लेखा सदस्य
SHRI VIJAY PAL RAO, HON’BLE VICE PRESIDENT
AND
SHRI MANJUNATHA G, HON’BLE ACCOUNTANT MEMBER

आयकर अपील सं./I.T.A.No.392/Hyd/2025
(निर्धारण वर्ष/ Assessment Year: 2015-16)

Pentyala Madhavi, R/o.Hyderabad. PAN : ALPPM5386H (अपीलार्थी/ Appellant)	Vs.	The Income Tax Officer, Ward – 12(1), Hyderabad. (प्रत्यर्थी/ Respondent)
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करदाता का प्रतिनिधित्व/ Assessee Represented by	:	Shri T. Chaitanya Kumar, Advocate.
राजस्व का प्रतिनिधित्व/ Department Represented by	:	Shri A. Suresh, Sr.A.R.
सुनवाई समाप्त होने की तिथि/ Date of Conclusion of Hearing	:	04.11.2025
घोषणा की तारीख/ Date of Pronouncement	:	07.11.2025

ORDER

PER MANJUNATHA G., A.M :

This appeal filed by the assessee is directed against the order of learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre [in short “NFAC”], Delhi, dated 06.01.2025, relating to the assessment year 2015-16.

2. The brief facts of the case are that the assessee has not filed any return of income for the assessment year 2015-16 on or before the due date provided under Section 139 of the Income Tax Act, 1961. The case of the assessee has been flagged under the High-Risk CRIU/VRU information on the Insight Portal in accordance with the Risk Management Strategy formulated by the CBDT and the case of the assessee falls under the definition of Explanation 1(i) of Section 148 of the Income Tax Act, 1961 (for short "the Act") and becomes effective from 01-04-2021. As per the information available with the Department, the assessee had entered into various banking transactions aggregating Rs. 65,47,000/-. Since the assessee has not furnished any return of income, the A.O. formed a reasonable belief of escapement of income and reopened the assessment under Section 147 of the Act by issuing notice under Section 148 of the Act, dated 29-04-2022. In response to the notice issued under Section 148 of the Act, the assessee filed her return of income on 28-05-2022, declaring total income of Rs. 3,69,792/-. The case was selected for scrutiny, and during the course of assessment proceedings, the A.O. issued notice under Section 142(1) of the Act on various

occasions. However, there was no response from the assessee. Therefore, the A.O. issued a final show-cause notice under Section 144 of the Income Tax Act, 1961 on 20.07.2023 and called upon the assessee to explain the transactions entered into with various banking companies. In response, the assessee has submitted various details and also explained the source of cash deposits. The A.O., after considering the relevant explanation of the assessee, observed that, the assessee has not explained the source for cash deposits maintained in Vijaya Bank for Rs. 11,75,000/-. Therefore, the A.O. made additions under Section 69A of the Act. Further, the A.O. treated the agricultural income of Rs. 1,75,000/- claimed by the assessee in her return of income filed on 28-05-2022 as income from other sources.

3. Aggrieved by the order of the A.O., the assessee preferred an appeal before the Ld. CIT(A).

4. Before the Ld. CIT(A), the assessee challenged the additions made by the A.O. towards cash deposits into the bank account and also the addition of Rs. 1,75,000/- under the head "Income from Other Sources" towards agricultural income reported in the

return of income. The Ld. CIT(A), after considering the submissions of the assessee and also taking note of various facts, rejected the explanation of the assessee and sustained the additions made by the A.O. towards cash deposits into the bank account and also assessment of agricultural income under the head "Income from Other Sources."

5. Aggrieved by the order of the Ld. CIT(A), the assessee is now in appeal before the Tribunal.

6. Before us, the learned counsel for the assessee Shri T. Chaitanya Kumar, Advocate, submitted that, the assessment order passed by the A.O. under Section 147 of the Act in consequent to the notice issued under Section 148 of the Act dated 29-04-2022, is barred by limitation in view of the decision of the Hon'ble Supreme Court in the case of Union of India Vs. Rajeev Bansal [(2024) 469 ITR 46. (SC)], where the learned Additional Solicitor General of India submitted that, the Revenue concedes that for the assessment year 2015-16, all notices issued on or after 01-04-2021 will have to be dropped, as they will not fall for completion during the period prescribed under TOLA.

Since the A.O. issued notice under Section 148 on 26-09-2022, the said notice is invalid, and consequently, the assessment proceedings are liable to be quashed. In this regard, he relied upon the decision of the ITAT, Visakhapatnam Bench in the case of Vaka Ghanta Nageswararao Vs. ITO in ITA No.251/Viz/2025, dated 10.07.2025.

7. The Learned Senior A.R. for the Revenue, Shri A. Suresh, on the other hand, supporting the order of the Ld. CIT(A), submitted that, the A.O. has validly reopened the assessment on the basis of reasons recorded, as per which the income chargeable to tax has escaped assessment exceeds Rs. 50,00,000/-, and in view of the amended provisions of Section 148 of the Act, the A.O. can issue notice under Section 148 of the Act, up to ten assessment years, if the income escaped assessment exceeded Rs. 50,00,000/-. Therefore, there is no merit in the arguments of the learned counsel for the assessee on the issue of legality of assessment, and thus, the ground of appeal should be dismissed.

8. We have heard both parties, perused the material available on record, and had gone through the orders of the authorities below. We have also carefully considered the relevant case law relied upon by the learned counsel for the assessee in support of his arguments. Admittedly, the assessment has been reopened under Section 147 of the Act, by issuance of notice under Section 148 of the Act dated 29-04-2022. The A.O. reopened the assessment as per the amended provisions of Section 148A of the Income Tax Act, 1961, after passing the necessary order under Section 148A(d) of the Act. According to the A.O., the income chargeable to tax, represented in the form of asset, which is likely to exceed an amount of Rs. 50,00,000/- or more for the assessment year 2015-16, has escaped assessment. It was the argument of the learned counsel for the assessee that, as per the decision of the Hon'ble Supreme Court in the case of Union of India Vs. Rajeev Bansal (supra), any notice issued under Section 148 of the Act after 01-04-2021 for the assessment year 2015-16 is invalid and consequently, the assessment order passed by the A.O. under Section 147 of the Act, is *void ab initio* and liable to be quashed. The ld. A.R. referred to the decision of the Hon'ble

Supreme Court in the case of Union of India Vs. Rajeev Bansal (supra), wherein the Hon'ble Supreme Court, in paragraph 19 of its order, has recorded the submission of the Learned Additional Solicitor General of India to the effect that the Revenue concedes that for the assessment year 2015-16, all notices issued on or after 01-04-2021 will have to be dropped as they will not fall for completion during the period prescribed under the Taxation and Other Laws (Relaxation) Act, 2020 (TOLA), because TOLA extends the time limit for issuance of notice under Section 148 of the Act, up to 30-06-2021, if any proceedings were due for completion between 20-03-2020 and up to 31-03-2021. In the present case, the time limit for issuance of notice under Section 148 of the Act as per the old regime expired on 31-03-2022, and which is beyond the extended period under TOLA, in our considered view, the notice issued under Section 148 of the Act dated 29-04-2022, and the consequent assessment order passed by the A.O. on the basis of invalid notice is liable to be quashed.

9. The assessee has relied upon the decision of the ITAT, Visakhapatnam Bench, in the case of Vaka Ghanta Nageswararao

Vs. ITO (supra), wherein, under identical set of facts, the Tribunal, by following the decision of the Hon'ble Supreme Court in the case of Union of India Vs. Rajeev Bansal (supra), quashed the assessment order passed by the A.O. under Section 147 of the Act for the assessment year 2015-16. The relevant findings of the Tribunal are as under :

"9. We have heard both the sides and perused the material available on record including the case laws cited by the Ld.AR. It is not in dispute that the date of the order u/s 148A(d) is 07.04.2022 and that of the consequential section 148 notice is also dated post 31.03.2022. In the instant case the notice under section 148 was issued on 07.04.2022 for the A.Y. 2015-16. It is the contention of the assessee that the said notice is barred by limitation as per the first proviso of the unamended proviso to section 149(1)(b) of the Act which has been confirmed by the Hon'ble Supreme Court in the case of UOI v. Rajeev Bansal (supra). The Hon'ble Supreme Court in the case of UOI v. Rajeev Bansal (supra) held as follows: -

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

*(a) to (e)***

(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;

46. The ingredients of the proviso could be broken down for analysis as follows:

(i) no notice under section 148 of the new regime can be issued at any time for an assessment year beginning on or before 1 April 2021;

(ii) if it is barred at the time when the notice is sought to be issued because of the "time limits specified under the provisions of" 149(1)(b) of the old regime."

10. The first proviso of section 149(1)(b) prescribed under section 149(1)(a) of the old regime continues to exist for the A.Y. 2021-2022 and before. Consequently, notice under section 148 of the Act as per amended provisions cannot be issued for the period beyond six years from the end

of the relevant assessment year has expired at the time of issuance of notice. In the instant case, the time limit of six years expires on 31.03.2022 and the notice u/s 148 issued on 07.04.2022 is not valid notice for the re assessment proceedings. From the observations of the Hon'ble Supreme Court and also by the Co-ordinate Bench of the Tribunal, it is clear that for the purpose of checking of the validity of the notices issued under section 148 of the Act under the new regime for the A.Y. 2021-2022 or prior years is whether the period of six years has expired at the time of issuance of such notice as per the unamended section to determine the validity of the notice under section 148 of the Act under the amended section. In the assessee's case, the period of six years expires on 31.03.2022 and therefore notice dated 07.04.2022 under section 148 of the Act for the A.Y. 2015-16 is invalid and barred by limitation. In view of the above findings and in light of binding judicial precedents, we hold that the reassessment proceedings initiated for AY 2015-16 are without jurisdiction, and hence the notice issued under section 148 and subsequent proceedings are quashed. Accordingly, the assessment completed under section 147 of the Act is liable to quashed. Thus the ground raised by the assessee is allowed.

11. Ld.AR did not press any other grounds raised in the appeal and hence we dismiss the other grounds as not pressed.

12. In the result, appeal filed by the assessee is allowed.”

10. In the present case, as per the first proviso to Section 149(1)(b) stood at the relevant point of time, the time limit for issuance of notice under Section 148 of the Act expired on 31-03-2022. Further, the extension of time limit allowed under TOLA is not applicable for the assessment year 2015-16, as observed by the Hon'ble Supreme Court in the case of Union of India Vs. Rajeev Bansal (supra). Therefore, in our considered view, any notice issued under Section 148 of the Act after 01-04-2021 for A.Y. 2015-16 is clearly barred by limitation and thus, in our

considered view, the assessment order passed by the A.O., in consequent to the said notice, is invalid and liable to be quashed. Thus, we quash the assessment order passed by the A.O. u/s 147 r.w.s. 144B of the Income Tax Act, 1961 dated 29.01.2024.

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

Order pronounced in the Open Court on 7th November, 2025.

Sd/- श्री विजय पाल राव (VIJAY PAL RAO) उपाध्यक्ष /VICE PRESIDENT	Sd/- (मंजूनाथ जी) (MANJUNATHA G.) लेखा सदस्य/ACCOUNTANT MEMBER
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Hyderabad, dated 07.11.2025.
TYNM/sps

आदेशकी प्रतिलिपि अग्रेषित/ Copy of the order forwarded to:-

1.	निर्धारिती/The Assessee	:	Pentyala Madhavi, 8-2-674/B/3/1/101, Ushassu Apartments, Road No.12, Banjarahills – 500034, Hyderabad, Telangana.
2.	राजस्व/ The Revenue	:	The Income Tax Officer, Ward – 12(1), Hyderabad.
3.	The Principal Commissioner of Income Tax, Hyderabad.		
4.	विभागीयप्रतिनिधि, आयकर अपीलीय अधिकरण, हैदराबाद / DR, ITAT, Hyderabad		
5.	गार्डफ़ाईल / Guard file		

आदेशानुसार / BY ORDER

Sr. Private Secretary
ITAT, Hyderabad