आयकर अपीलीय अधिकरण, 'डी' न्यायपीठ, चेन्नई
IN THE INCOME TAX APPELLATE TRIBUNAL
'D' BENCH, CHENNAI

श्री मनु कुमार गिरि, न्यायिक सदस्य एवं श्री एस. आर. रघुनाथा, लेखा सदस्य के समक्ष
BEFORE SHRI MANU KUMAR GIRI, JUDICIAL MEMBER AND
SHRI S. R. RAGHUNATHA, ACCOUNTANT MEMBER

आयकर अपील सं./**ITA No.:3046, 3047 & 3048/Chny/2025**
निर्धारण वर्ष / **Assessment Years: 2015-16, 2016-17 & 2017-18**

Pooja Prabhakar, 17 Kingston Apartments, M G Ramachandran Road Kalakshetra Colony, Chennai – 600 090.	vs.	**ITO,** Non-Corp Ward -15(1), Chennai.
[PAN: BCGPP-8061-H] (अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by : Mr. R. Venkataraman, FCA &
Mr. K. Vishwa Padmanabhan, FCA.
प्रत्यर्थी की ओर से/Respondent by : Shri. ARV Sreenivasan, CIT.

सुनवाई की तारीख/Date of Hearing : 16.12.2025
घोषणा की तारीख/Date of Pronouncement : 01.01.2026

आदेश /O R D E R

PER S. R. RAGHUNATHA, AM :

These three appeals preferred by the assessee are directed against the separate orders, each dated 25.08.2025, passed by the Learned Commissioner of Income-tax (Appeals), National Faceless Appeal Centre, Delhi (hereinafter referred to as "Ld. CIT(A)"). The impugned orders arise out of the assessments framed by the National Faceless Assessment Centre (hereinafter referred to as the "AO") u/s.147 r.w.s 144 of the Income-tax Act, 1961 (hereinafter referred to as "the Act"), pertaining to Assessment Years 2015-16, 2016-17 and 2017-18

respectively. The particulars of the appeals preferred by the assessee before this Tribunal are summarized as under:

AY	Date of order of the AO	Order passed by the AO u/s.	DIN of the assessment order	Date of order of the CIT(A)	DIN of the order of the CIT(A)
2015-16	23.03.2022	147 r.w.s 144	ITBA/AST/S/147/2021-22/1041324415(1)	25.08.2025	ITBA/NFAC/S/250/2025-26/1079965632(1)
2016-17	24.03.2022	147 r.w.s 144	ITBA/AST/S/147/2021-22/1041534712(1)	25.08.2025	ITBA/NFAC/S/250/2025-26/1079964342(1)
2017-18	23.03.2022	147 r.w.s 144	ITBA/AST/S/147/2021-22/1041330503(1)	25.08.2025	ITBA/NFAC/S/250/2025-26/1079963045(1)

2. Since the issues arising for consideration in all the three appeals are identical in facts as well as in law, these appeals are clubbed, heard together, and are being disposed of by this consolidated order for the sake of convenience, uniformity, and to avoid repetition of discussion. With the concurrence of both the parties, the appeal for A.Y.2015-16 was treated as the lead case. The findings, reasoning, and conclusions recorded in the said appeal shall mutatis mutandis apply with equal force to the appeals pertaining to A.Ys.2016-17 and 2017-18, as the factual matrix and legal controversy remain indistinguishably similar across all the years under adjudication.

3. The grounds of appeal raised by the assessee for the A.Y.2015-16 are as under: -

1. *That the Learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi ["Ld. CIT(A)"] has erred, both in law and on facts, in refusing to condone the delay in filing of the appeal by the appellant, and thereby failed to adjudicate the appeal on its merits. The Ld. CIT(A) ought to have appreciated that the delay, was neither deliberate nor intentional but occurred due to bona fide reasons, and thus deserved to be condoned in the interest of substantial justice.*

2. *Without prejudice to the above, that the Ld.CIT(A) erred in not appreciating that the assessment order dated 23.03.2022 passed by the National Faceless Assessment Centre ["Assessing Officer"] u/s.147 r.w.s 144 of the Act for the Assessment Year 2015-16 is invalid, void ab initio, and liable to be quashed as being bad in law.*

3. *That the Ld.CIT(A) erred in not appreciating that the reopening of the assessment is bad in law on various counts.*

4. *That the Ld.CIT(A) ought to have appreciated that the notice u/s.148 of the Act purportedly dated 31.03.2021 and digitally signed on 01.04.2021 has been issued by the Assessing Officer under the erstwhile provisions of Section 148 read with Section 147, 149 and 151 which has been repealed by the Finance Act, 2021 is bad in law and therefore the consequential order is liable to be quashed.*

5. *That the issuance of notice u/s.148 of the Act and the consequential assessment order passed u/s.147 r.w.s 144 of the Act without following the mandatory procedure u/s.148A is bad in law.*

Without prejudice to the above, on merits the following grounds of appeal are raised.

6. *That the Ld.CIT(A) ought to have set aside the assessment to the file of the Assessing Officer for fresh assessment in view of the assessment order framed u/s.144 of the Act.*

7. *That the Ld.CIT(A) failed to appreciate that the Assessing Officer erred in making a protective addition of Rs.2,38,48,000/- in the hands of the appellant on account of unexplained money u/s.69A r.w.s 115BBE of the Act.*

8. *That the Ld.CIT(A) failed to appreciate that the Assessing Officer erred in making an addition of Rs.38,75,000/- in the hands of the appellant on account of unexplained money u/s.69A r.w.s 115BBE of the Act.*

9. *That the Ld.CIT(A) failed to appreciate that the Assessing Officer erred in making an addition of Rs.2,37,50,000/- towards unexplained investment u/s.69 r.w.s 115BBE of the Act.*

10. *That the Ld.CIT(A) failed to appreciate that the Assessing Officer is not justified in making an addition of Rs.1,00,000/- towards salary from M/s. Stride Ventures Private Limited.*

11. *That the Ld.CIT(A) erred in not appreciating that the Assessing Officer is not justified in making an addition of Rs.25,437/- towards interest income of the appellant.*

12. *That the appellant craves the leave of the Hon'ble Income Tax Appellate Tribunal, Chennai Bench to add/delete/revise/adduce additional grounds in support of its contentions before or during the course of hearing of the appeal.*

4. The grounds of appeal raised by the assessee for the A.Y.2016-17 are as under: -

1. *That the Learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi ["Ld. CIT(A)"] has erred, both in law and on facts, in refusing to condone the delay in filing of the appeal by the appellant, and thereby failed to adjudicate the appeal on its merits. The Ld. CIT(A) ought to*

have appreciated that the delay, was neither deliberate nor intentional but occurred due to bona fide reasons, and thus deserved to be condoned in the interest of substantial justice.

2. *Without prejudice to the above, that the Ld.CIT(A) erred in not appreciating that the assessment order dated 24.03.2022 passed by the National Faceless Assessment Centre ["Assessing Officer"] u/s.147 r.w.s 144 of the Act for the Assessment Year 2016-17 is invalid, void ab initio, and liable to be quashed as being bad in law.*

3. *That the Ld.CIT(A) erred in not appreciating that the reopening of the assessment is bad in law on various counts.*

4. *That the Ld.CIT(A) ought to have appreciated that the notice u/s.148 of the Act purportedly dated 31.03.2021 and digitally signed on 01.04.2021 has been issued by the Assessing Officer under the erstwhile provisions of Section 148 read with Section 147, 149 and 151 which has been repealed by the Finance Act, 2021 is bad in law and therefore the consequential order is liable to be quashed.*

5. *That the issuance of notice u/s.148 of the Act and the consequential assessment order passed u/s.147 r.w.s 144 of the Act without following the mandatory procedure u/s.148A is bad in law.*

   Without prejudice to the above, on merits the following grounds of appeal are raised.

6. *That the Ld.CIT(A) ought to have set aside the assessment to the file of the Assessing Officer for fresh assessment in view of the assessment order framed u/s.144 of the Act.*

7. *That the Ld.CIT(A) failed to appreciate that the Assessing Officer erred in making an addition of Rs.11,90,768/- in the hands of the appellant on account of unexplained investment u/s.69 r.w.s 115BBE of the Act.*

8. *That the Ld.CIT(A) failed to appreciate that the Assessing Officer erred in making a protective addition of Rs.1,36,32,750/- in the hands of the appellant on account of unexplained money u/s.69A r.w.s 115BBE of the Act.*

9. *That the Ld.CIT(A) failed to appreciate that the Assessing Officer erred in making an addition of Rs.1,14,66,984/- on account of unexplained money u/s.69A r.w.s 115BBE of the Act.*

10. *That the Ld.CIT(A) failed to appreciate that the Assessing Officer erred in making an addition of Rs.1,50,00,000/- towards unexplained investment u/s.69 r.w.s 115BBE of the Act.*

11. *That the Ld.CIT(A) failed to appreciate that the Assessing Officer is not justified in making an addition of Rs.9,00,000/- towards salary from M/s. Stride Ventures Private Limited.*

12. *That the appellant craves the leave of the Hon'ble Income Tax Appellate Tribunal, Chennai Bench to add/delete/revise/adduce additional grounds in support of its contentions before or during the course of hearing of the appeal.*

5. The grounds of appeal raised by the assessee for the A.Y.2017-18 are as under: -

1. *That the Learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi ["Ld. CIT(A)"] has erred, both in law and on facts, in refusing to condone the delay in filing of the appeal by the appellant, and thereby failed to adjudicate the appeal on its merits. The Ld. CIT(A) ought to have appreciated that the delay, was neither deliberate nor intentional but occurred due to bona fide reasons, and thus deserved to be condoned in the interest of substantial justice.*

2. *Without prejudice to the above, that the Ld.CIT(A) erred in not appreciating that the assessment order dated 23.03.2022 passed by the National Faceless Assessment Centre ["Assessing Officer"] u/s.147 r.w.s 144 of the Act for the Assessment Year 2017-18 is invalid, void ab initio, and liable to be quashed as being bad in law.*

3. *That the Ld.CIT(A) erred in not appreciating that the reopening of the assessment is bad in law on various counts.*

4. *That the Ld.CIT(A) ought to have appreciated that the notice u/s.148 of the Act purportedly dated 31.03.2021 and digitally signed on 01.04.2021 has been issued by the Assessing Officer under the erstwhile provisions of Section 148 read with Section 147, 149 and 151 which has been repealed by the Finance Act, 2021 is bad in law and therefore the consequential order is liable to be quashed.*

5. *That the issuance of notice u/s.148 of the Act and the consequential assessment order passed u/s.147 r.w.s 144 of the Act without following the mandatory procedure u/s.148A is bad in law.*

   Without prejudice to the above, on merits the following grounds of appeal are raised.

6. *That the Ld.CIT(A) ought to have set aside the assessment to the file of the Assessing Officer for fresh assessment in view of the assessment order framed u/s.144 of the Act.*

7. *That the Ld.CIT(A) failed to appreciate that the Assessing Officer erred in making a protective addition of Rs.30,00,000/- in the hands of the appellant on account of unexplained money u/s.69A r.w.s 115BBE of the Act.*

8. *That the Ld.CIT(A) failed to appreciate that the Assessing Officer erred in making an addition of Rs.21,000/- on account of unexplained money u/s.69A r.w.s 115BBE of the Act.*

9. *That the appellant craves the leave of the Hon'ble Income Tax Appellate Tribunal, Chennai Bench to add/delete/revise/adduce additional grounds in support of its contentions before or during the course of hearing of the appeal.*

ITA No.3046/Chny/2025 (A.Y.2015-16)

6. The brief facts of the case as emanating from the records are that the assessee filed her return of income for the A.Y.2015-16 on 18.08.2015 declaring a total income of Rs.7,97,860/-. The said return was processed u/s.143(1) of the Act. Subsequently, a search and seizure operation u/s.132 of the Act was conducted on 10.05.2016 in the case of the assessee's husband. In the course of the said proceedings, it was noticed that various credits had been recorded in the bank account of the assessee, which, according to the Department, required protective assessment in her hands.

7. Consequent thereto, a notice u/s.148 of the Act dated 31.03.2021, digitally signed on 01.04.2021, was issued by the Jurisdictional Assessing Officer on 01.04.2021. In compliance, the assessee filed her return of income on 24.11.2021 declaring the same income as originally returned. The case was thereafter assigned to the Faceless Assessing Officer for completion of assessment in accordance with the e-assessment scheme.

8. During the assessment proceedings, it was observed by the AO that the assessee did not respond to the statutory notices issued. The AO, therefore, proceeded to frame the assessment ex parte u/s.147 r.w.s 144 of the Act, vide order dated 23.03.2022, determining the total income of the assessee at Rs.5,23,96,300/-.

9. Aggrieved by the reassessment order, the assessee preferred an appeal before the Ld.CIT(A). The Ld.CIT(A), however, vide order dated 25.08.2025, dismissed the appeal in limine on the ground that the same was time-barred and had been filed beyond the period of limitation prescribed under the Act. Being further aggrieved, the assessee has preferred the present appeal before us.

10. The Ld.AR appearing on behalf of the assessee, drew our attention to the reasons seeking condonation of delay in preferring the appeal before the

Ld.CIT(A). The Ld.AR submitted that the delay had occurred due to circumstances beyond the control of the assessee and was attributable to bona fide reasons. The Ld.AR emphasized that there was neither deliberate negligence nor any mala fide intention on the part of the assessee, and that denial of condonation would result in grave hardship and denial of justice. The Ld.AR therefore prayed that, considering the settled legal position that substantive justice should prevail over technicalities, the delay may kindly be condoned.

11. The Ld.AR further submitted that, consequent upon condonation of delay, various legal grounds raised in the memorandum of appeal which go to the root of the matter deserve to be admitted for consideration and adjudication by this Tribunal. The Ld.AR contended that such grounds are purely legal in nature, do not require fresh investigation of facts, and therefore can validly be considered at this stage in the interest of justice.

12. Per contra, the Ld.DR vehemently opposed the request for condonation of delay.

13. At the threshold, it is noticed that the appeal preferred before the Ld.CIT(A) stood delayed by 604 days beyond the time period prescribed under the Act. The Ld.CIT(A), taking note of such delay, dismissed the appeal *in limine*, solely on the ground of limitation, without entering into the merits of the case.

14. We have carefully examined the reasons for condonation of delay as well as the explanation tendered by the assessee in support thereof. Upon a comprehensive appraisal of the facts, we find that the delay cannot be attributed either to deliberate inaction or to any lack of bona fides on the part of the assessee. The circumstances explained demonstrate that the default occurred due to reasons beyond the assessee’s control and not on account of any negligence, or want of diligence. In our considered view, therefore, the

assessee has satisfactorily established the existence of “sufficient cause” for the delay in preferring the appeal before the first appellate authority.

15. The Hon’ble Supreme Court has, in a catena of decisions, unequivocally laid down that when an explanation regarding delay does not smack of mala fides and is otherwise reasonable, acceptance ought to be the rule and refusal an exception. A hyper-technical or pedantic approach, resulting in the dismissal of matters at the threshold, is discouraged as it may cause irreparable prejudice by foreclosing adjudication on merits. The expression “sufficient cause” occurring in limitation statutes has consistently been interpreted to receive a liberal and justice-oriented construction, so as to advance rather than defeat the cause of substantial justice.

16. In this regard, we may gainfully refer to the judgment of the Hon’ble Supreme Court in Collector, Land Acquisition v. Mst. Katiji & Ors. (167 ITR 471), wherein it was held that the Courts should adopt a liberal approach while considering applications seeking condonation of delay. The Hon’ble Court cautioned that refusal to condone delay may result in meritorious matters being thrown out at the inception itself, whereas condonation merely facilitates adjudication on merits. It was further observed that there is ordinarily no presumption of deliberate delay and that the judiciary commands respect because of its role in removing injustice rather than perpetuating it on technical grounds. The relevant portion of the said judgement is as under: -

> *“Any appeal or any application, other than an application under any of the provisions of Order XXI of the Code of Civil Procedure, 1908, may be admitted after the prescribed period if the appellant or the applicant satisfies the court that he had sufficient cause for not preferring the appeal or making the application within such period.*
>
> *1. Ordinarily a litigant does not stand to benefit by lodging an appeal late.*
>
> *2. Refusing to condone delay can result in a meritorious matter being thrown out at the very threshold and cause of justice being defeated. As against this when delay is condoned the highest that can happen is that a cause would be decided on merits after hearing the parties.*

> *3. "Every day's delay must be explained" does not mean that a pedantic approach should be made. Why not every hour's delay, every second's delay? The doctrine must be applied in a rational common sense pragmatic manner.*
>
> *4. When substantial justice and technical considerations are pitted against each other, cause of substantial justice deserves to be preferred for the other side cannot claim to have vested right in injustice being done because of a non-deliberate delay.*
>
> *5. There is no presumption that delay is occasioned deliberately, or on account of culpable negligence, or on account of mala fides. A litigant does not stand to benefit by resorting to delay. In fact he runs a serious risk.*
>
> *6. It must be grasped that judiciary is respected not on account of its power to legalize injustice on technical grounds but because it is capable of removing injustice and is expected to do so."*

17. Similarly, in Ram Nath Sao @ Ram Nath Sahu & Others v. Gobardhan Sao & Others (2002 AIR 1201), the Hon'ble Supreme Court reiterated that the expression "sufficient cause" occurring under Section 5 of the Limitation Act and analogous provisions must be construed liberally so as to advance substantial justice. The Court emphasized that rejection of condonation applications on trivial or fault-finding grounds should be avoided, particularly where negligence, lack of bona fides, or intentional delay cannot reasonably be attributed to the litigant.

18. Further, we note that the Hon'ble Supreme Court in Vidya Shankar Jaiswal v. Income Tax Officer, Ward-2, Ambikapur (SLP (Civil) Nos. 26310–26311 of 2024, order dated 31 January 2025), has reiterated that while dealing with applications seeking condonation of delay in filing appeals, the authorities must adopt a liberal and justice-oriented approach, ensuring that technicalities do not overshadow substantive rights.

19. Having regard to the factual matrix of the present case and guided by the above binding precedents of the Hon'ble Supreme Court, we are of the considered opinion that the assessee has successfully demonstrated sufficient cause warranting condonation of the delay of 604 days. Accordingly, the said delay is hereby condoned.

20. Having condoned the delay, we further note that the ground of appeal relating to validity of the notice u/s.148 of the Act dated 31.03.2021 digitally signed and issued by the JAO on 01.04.2021 urged before us is predominantly legal in nature and go to the very root of the assessment proceedings. It is a settled proposition of law that where a ground involves a pure question of law arising from the facts already on record, the same may be raised at any stage of the proceedings, including for the first time before the appellate forum. Such admission does not require any fresh investigation of fact nor does it prejudice the interests of the Revenue.

21. In this context, reference may be made to the landmark decision of the Hon'ble Supreme Court in National Thermal Power Co. Ltd. v. CIT (229 ITR 383), wherein it has been held that the Tribunal is empowered to examine a question of law arising from the facts already available on record, even if such question had not been raised earlier. The Hon'ble Supreme Court clarified that the Tribunal's jurisdiction is not confined merely to the issues dealt with by the lower authorities but extends to all questions of law bearing on the correctness of the assessment.

22. Similarly, the Hon'ble Supreme Court in Jute Corporation of India Ltd. v. CIT (187 ITR 688) recognized the right of an assessee to raise additional legal grounds at the appellate stage, observing that the appellate authorities are vested with wide powers to do substantial justice by determining the correct tax liability in accordance with law.

23. In the present case, the ground pressed before us relate to fundamental legal issues which strike at the validity and sustainability of the impugned assessment. The same arise from the material already available in the assessment records and do not necessitate any further enquiry or verification of extraneous facts. The adjudication of such legal ground is therefore imperative, as failure to do so may result in perpetuation of an illegality.

24. In view of the foregoing legal position, and in the interest of substantial justice, we hold that the legal ground raised by the assessee deserve to be admitted and adjudicated on merits. We accordingly proceed to consider the same in the subsequent part of this order.

25. The Ld.AR adverting to the notice issued u/s.148 of the Act, contended that though the notice bears the date 31.03.2021, the same was digitally signed and actually issued on 01.04.2021 on the ITBA portal for the A.Y.2015-16. According to the Ld.AR, the date of digital signature as well as the date of issuance on the ITBA system constitute the determinative factors for ascertaining the date of notice. It was therefore argued that, since the notice was issued on or after 01.04.2021, the AO was mandatorily required to comply with the procedure prescribed u/s.148A of the Act, introduced by the Finance Act, 2021.

26. The Ld.AR placed reliance on various judicial pronouncements to fortify the proposition that the new reassessment regime becomes operative where the initiation of reassessment proceedings takes place on or after 01.04.2021. It was submitted that, in the instant case, the Revenue failed to adhere to any of the procedural safeguards contemplated u/s.148A of the Act, such as providing an opportunity to the assessee, supplying material forming the basis of belief, and passing a reasoned order under clause (d) thereof. Consequently, the Ld. AR urged that the reassessment proceedings suffer from invalid assumption of jurisdiction and hence deserve to be quashed. The Ld.AR further submitted that since notice has been issued on 01.04.2021 which is beyond three years, sanction for issue of such notice has to be obtained from Principal Chief Commissioner as per the amended law as on 01.04.2021, since the AO had obtained the approval from Range Head instead of PCCIT, the impugned notice issued u/s.148 of the Act is bad in law and accordingly submitted that the consequent reassessment order is void ab initio.

27. Per contra, the Ld.DR strongly refuted the submissions advanced by the Ld. AR and placed heavy reliance on the orders passed by the lower authorities, contending that the initiation of reassessment proceedings was valid and in accordance with law.

28. We have heard the rival submissions and carefully perused the material placed on record, including the paper book as well as the compilation of case law filed by the assessee. It is an admitted position that, for A.Y.2015-16, the notice issued u/s.148 of the Act, though dated 31.03.2021, was digitally signed by the Jurisdictional Assessing Officer on 01.04.2021 at 11:04 A.M. Consequently, the said notice came to be generated and issued through the ITBA portal of the Department on 01.04.2021. For the sake of clarity, the impugned notice is reproduced hereunder:

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT
OFFICE OF THE INCOME TAX OFFICER
NON CORP. WARD 15(1) CHE/

To,	
POOJA PRABHAKAR 17 KINGSTON APARTMENTS , M G RAMACHANDRAN ROAD KALAKSHETRA COLONY CHENNAI 600090 , Tamil Nadu India	

PAN:	AY:	Dated:	DIN & Notice No :
BCGPP8061H	**2015-16**	**31/03/2021**	**ITBA/AST/S/148/2020-21/1032113957(1)**

Notice Under Section 148 Of The Income Tax Act, 1961

Sir/ Madam/ M/s,

Whereas I have reasons to believe that your Income chargeable to Tax for the Assessment Year **2015-16** has escaped Assessment within the meaning of section 147 of the Income Tax Act, 1961.

I, therefore, propose to assess/ re-assess the income/ loss for the said Assessment Year and I hereby require you to deliver to me within **30** days from the service of this notice, a return in the prescribed form for the said Assessment Year.

This notice is being issued after obtaining the necessary satisfaction of the NON CORPORATE RANGE 10 CHENNAI

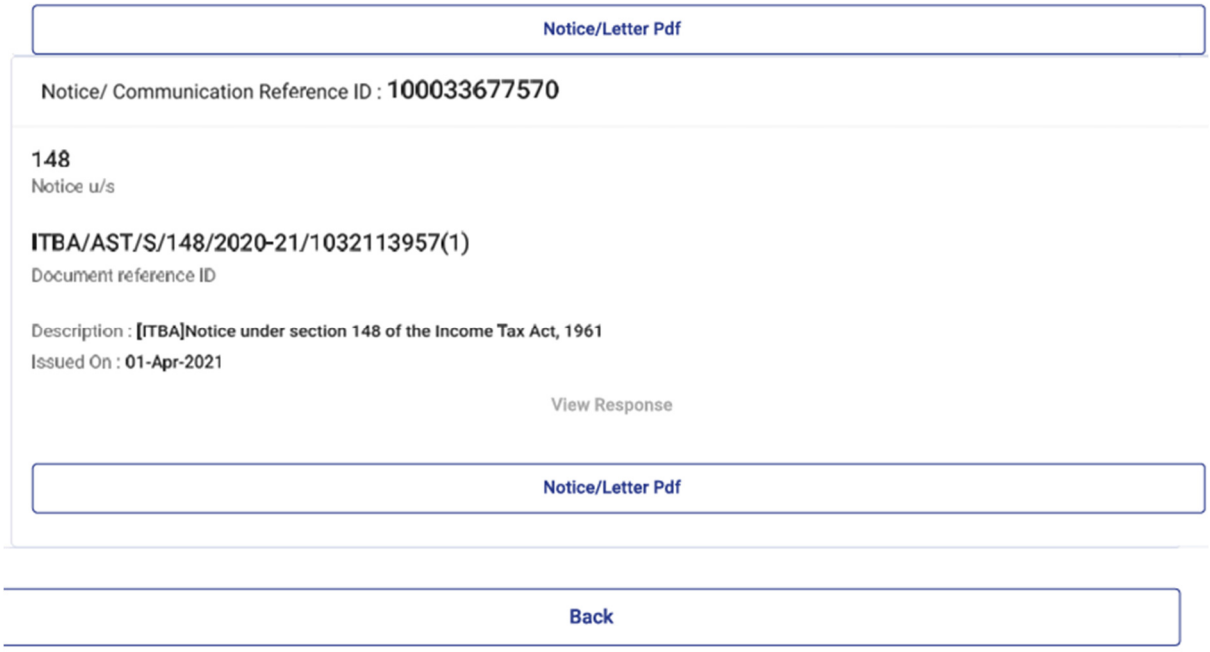
KUMAR DEEPAK RAJ
NON CORP. WARD 15(1) CHE/

(In case the document is digitally signed please refer Digital Signature at the bottom of the page)

Note: If digitally signed, the date of digital signature may be taken as date of document.
,CHENNAI-WANAPARTHY BLOCK, No. 121, MAHATMA GANDHI ROAD, NUNGAMBAKKAM, CHENNAI, Tamil Nadu, 600034
Email: CHENNAIJTO.NC15.1@INCOMETAX.GOV.IN,
IN-Document identification No.

This document is digitally signed
Signer: KUMAR DEEPAK RAJ
Date: Thursday, April 01, 2021 11:04 AM
Location: CHENNAI, India

29. Further, the screenshot of the ITBA portal as furnished by the assessee is as under: -



30. From the foregoing facts, it is apparent that although the notice issued u/s.148 of the Act bears the date 31.03.2021, the same was, in fact, digitally signed by the Jurisdictional Assessing Officer on 01.04.2021 and was thereafter issued to the assessee. The issue that, therefore, arises for adjudication is whether the reassessment proceedings in the present case are to be governed by the provisions as they stood prior to the amendment, merely because the notice carries the date 31.03.2021, or whether they are required to be undertaken in accordance with the procedure prescribed u/s.148A of the Act, having regard to the fact that the notice was digitally signed and issued on 01.04.2021.

31. On identical facts, the Hon'ble Delhi High Court in Suman Jeet Agarwal v. ITO [2022] 449 ITR 517 (Del) has categorically held that the date of the digital signature constitutes the date of issuance of the notice. The Hon'ble Court further observed that where the notice is digitally signed on 01.04.2021, it shall necessarily be construed as a notice issued u/s.148A(b) of the Act, in

consonance with the directions of the Hon'ble Supreme Court in Union of India v. Ashish Agarwal. The relevant observations of the Hon'ble Delhi High Court read as under:

> *"31.1 Category 'A': The Notices falling under category 'A', which were digitally signed on or after 1st of April, 2021, are held to bear the date on which the said Notices were digitally signed and not 31st March 2021. The said petitions are disposed of with the direction that the said Notices are to be considered as show-cause notices under section 148A (b) of the Act as per the directions of the apex Court in the Ashish Agarwal (supra) judgment."*

32. Following the aforesaid judgment of the Hon'ble Delhi High Court, the Hon'ble Telangana High Court, in the case of Kalyan Chillara v. DCIT [2024] 167 taxmann.com 500 (Telangana), has, inter alia, held as under:

> *"**24.** With the aforesaid judicial precedents and the fact that the Delhi High Court has extensively dealt with these contentions (which have also been the contention of the learned Senior Standing Counsel for the Income Tax, for the respondents, in the present batch of writ petitions), and rendered the judgment in favour of the assessee, and which has not been further challenged by the respondent-Department till now. Therefore, we also are fully in agreement and endorse the views laid down by the Division Bench of the Delhi High Court in the case of Suman Jeet Agarwal (supra) and hold that the impugned notices in all these batch of writ petitions are barred by limitation under Sections 148 and 149 of the Act, since the said notices have left the I.T.B.A. portal on or after 01.04.2021."*

33. We observe that the Special Leave Petition preferred by the Revenue against the aforesaid decision has already been dismissed by the Hon'ble Supreme Court in the case of ITO v. Consortium of Institutions of Higher Learning [2025] 180 taxmann.com 606 (SC). Accordingly, the legal position on this issue now stands concluded by the Hon'ble Apex Court.

34. Further, the Co-ordinate Bench of this Tribunal, in the case of Anthonymuthu Udayar Xavier v. ITO in ITA No.1943/Chny/2024, vide order dated 14.10.2025, has quashed the reassessment proceedings initiated pursuant to a notice issued u/s.148 of the Act through the ITBA portal on 01.04.2021. The Tribunal, while rendering the said decision, has categorically held that the Assessing Officer was under an obligation to adhere to the procedure contemplated under the newly substituted provisions of section 148A

of the Act prior to issuance of notice u/s.148 of the Act. The relevant findings recorded by the Tribunal read as under:

> *"7. Hence the objection raised by the Learned DR that the assessee had not raised this issue at all before the Learned CITA is devoid of merit and rejected. We are convinced that the date of issuance of notice under section 148 of the Act as displayed in the ITBA Portal is 01-04-2021. We find that the Learned AR rightly placed reliance on the decision of the Hon'ble Delhi High Court in the case of Suman Jeet Agarwal vs ITO reported in 449 ITR 517 (Del). In that case, the notice under section 148 of the Act though generated and signed on 31-3-2021 was issued through e mail by the ITBA servers on 6-4-2021. In the said case, the revenue had filed an affidavit dated 30-5-2022 before the Hon'ble Delhi High Court clarifying the circumstances relating to the dispatch of the notices through e-mail on 1st April 2022 and thereafter. It was specifically affirmed by the revenue in its affidavit as under:-*
>
> > *7.7 The e-mail will be sent by the ITBA e-mail system to the assessee only if the assessee's valid e-mail ID is present in the ITBA system.*
> >
> > *7.8. On 31st March, 2021, the average time taken for triggering the e-mail process by the ITBA software system was approximately 6 hours. The said delay was due to the high number of documents being generated on the said date. Therefore, a substantial time was taken by the ITBA servers for triggering the e-mails and consequent receipt of e-mails by the assessee.*
> >
> > *7.9 The ITBA software's e-mail triggering system is programmed in such a manner that e-mails are triggered in a batch mode, in a controlled manner i.e., at the rate of 400 documents per 2 minutes so as to avoid getting the ITBA system's IPs blacklisted by e-mail service providers like Yahoo or Google.*
> >
> > *7.10 The ITBA software's process of triggering of e-mail and sending of Notices to the E-filing portal's data base is an automated function.*
> >
> > *7.11 The e-mails are triggered by the ITBA software using the Simple Mail Transfer Protocol ('SMTP') from back end, which reach the messaging gateway of the ITBA system. Upon reaching the messaging gateway, message ID is created by the messaging gateway and the same gets updated in the 'e-mail table'. Thereafter, depending on the availability of the destination domain server i.e. assessee's server and the user account, e-mails are either immediately delivered to the assessee or re attempted in cases of failure.*
> >
> > *7.12 The JAO of his/her own has no control over the Notice document generated on the ITBA portal, once it has been so generated. After the notice document is generated on the ITBA portal, the JAO cannot alter, amend, or delete the said Notice document through the ITBA system.*
> >
> > *7.13 The ITBA portal allows the JAO to cancel a draft of the notice under section 148 of the Act of 1961, which is a step prior to its*

generation. Once a notice has been generated on the ITBA software portal, the JAO cannot cancel the same.

(emphasis supplied by us)

7.1. Ultimately, the Hon'ble Delhi High Court held as under:-

30. Additionally, it is a settled position of law that the notice under section 148 of the Act of 1961 must be served in accordance with the procedure established by law, to the correct addressee, otherwise the reassessment proceedings would be invalid in law. Chetan Gupta (supra). The issuance of e-mail attaching electronic notice to an unrelated e-mail address does not constitute as due despatch and therefore, the Notices cannot be said to have been issued on 31st March, 2021. However, in each of these matters, since an authenticated copy of the notice was placed on the registered account of the assessee on the E-filing portal, as that is how the petitioners learnt about the notices, these notices will be held to have been issued on the date on which the Notices were first viewed by the assessees on their E-filing portal.

31. For the reasons and principles that we have laid down, we dispose of these Writ Petitions with the following directions:

31.1 Category 'A': The Notices falling under category 'A', which were digitally signed on or after 1st of April, 2021, are held to bear the date on which the said Notices were digitally signed and not 31st March 2021. The said petitions are disposed of with the direction that the said Notices are to be considered as show-cause-notices under section 148A (b) of the Act as per the directions of the apex Court in the Ashish Agarwal (supra) judgment.

31.2 Category 'B': The Notices falling under category 'B' which were sent through the registered e-mail ID of the respective JAOs, though not digitally signed are held to be valid. The said petitions are disposed of with the direction to the JAOs to verify and determine the date and time of its despatch as recorded in the ITBA portal in accordance with the law laid down in this judgment as the date of issuance. If the date and time of despatch recorded is on or after 1st of April, 2021, the Notices are to be considered as show-cause-notices under section 148A (b) as per the directions of the apex Court in the Ashish Agarwal (supra) judgment.

31.3 Category 'C': The petitions challenging Notices falling under category 'C' which were digitally signed on 31st of March 2021, are disposed of with the direction to the JAOs to verify and determine the date and time of despatch as recorded in the ITBA portal in accordance with the law laid down in this judgment as the date of issuance. If the date and time of despatch recorded is on or after 1st of April, 2021, the Notices are to be considered as show-cause-notices under section 148A (b) as per the directions of the apex Court in the Ashish Agarwal (supra) judgment.

31.4 Category 'D': The petitions challenging Notices falling under category 'D' which were only uploaded in the E-filing portal of the

assessees without any real time alert, are disposed of with the direction to the JAOs to determine the date and time when the assessees viewed the Notices in the E-filing portal, as recorded in the ITBA portal and conclude such date as the date of issuance in accordance with the law laid down in this judgment. If such date of issuance is determined to be on or after 1st of April 2021, the Notices will be construed as issued under section 148A (b) of the Act of 1961 as per the Ashish Agarwal (supra) judgment.

31.5 Category 'E': The petitions challenging Notices falling under category 'E' which were manually despatched, are disposed of with the direction to the JAOs to determine in accordance with the law laid down in this judgment, the date and time when the Notices were delivered to the post office for despatch and consider the same as date of issuance. If the date and time of despatch recorded is on or after 1st of April, 2021, the Notices are to be construed as show-cause-notices under section 148A (b) as per the directions of the apex Court in the Ashish Agarwal (supra) judgment.

(emphasis supplied by us)

8. The case of the assessee herein also squarely falls in Category C discussed by the Hon'ble Delhi High Court supra. Hence the date mentioned in the ITBA portal shall have to be construed as the date of issuance of notice under section 148 of the Act dated 31-3-2021. As per the ITBA Portal, the notice under section 148 of the Act dated 31-3-2021 was issued only on 1-4-2021. Hence the new regime of provisions of section 148A of the Act kicks in. Since the revenue in the instant case had not followed any of the requirements of the new regime and the decision of the Hon'ble Supreme Court in the case of Union of India vs Ashish Agarwal reported in 444 ITR 1(SC), the reassessment proceedings need to be quashed for invalid assumption of jurisdiction of the Learned AO. ……."

35. We further place reliance on the decision of the Coordinate Bench of the Delhi Tribunal in the case of DCIT v. SBC Minerals Pvt. Ltd., ITA No.3411/Del/2024, order dated 21.02.2025, wherein on identical facts, the Tribunal has held as under:-

"6. We find that NFAC has observed that in this case, the notice u/s 148 bears the date as 31/03/21 whereas, the notice is digitally signed by the AO on 01/04/2021. Vide Ground No. 2, the appellant contends that Notice u/s 148 was non-existent on the date of issue on 31/03/2021 as the same was digitally signed by the AO on 01-04-2021 and reassessment order passed on the basis of such notice is liable to be quashed. NFAC took note of the fact that whole scheme of re assessment has been changed w.e.f. 01.04.2021 by The Finance Act 2021. NFAC examined the issue if the reopening notice in this case will be treated as having been issued on 31.03.2021 or on 01.04.2021. and observed that in case, the reopening Notice is found to have been issued on 31/03/2021, the old provisions of Section 147, Section 148, Section 149 and section 151 shall apply otherwise the new reassessment laws will apply. It was conclude that in this case, the

AO has issued notice u/s 148 which is dated 31-03-2021 and the AO has not followed the procedure prescribed under new scheme of reassessment and thus the AO has issued the notice u/s 148 under the provisions of section 147, section 148, section 149 and section 151 as they stood before their substitution by Finance Act 2021 w.e.f. 01-04 2021. It is to be noted that the AO has issued the re-opening notice u/s 151(2) of the Act as it stood prior to 01-04-2021 as is evident from the fact that no prior approval/satisfaction of Pr.CCIT or Pr. CIT has been obtained by the AO. Instead, necessary satisfaction of the Joint Commissioner of Income tax has been obtained. The AO has not passed any order u/s. 148A(d) with approval of specified authority. Thus, it is clear that the AO has completed the reassessment proceedings under old provisions of the Act. Since Section 149 of the Act 1961 requires notice to be issued by Income Tax Authority, therefore, in terms of sub Section (1) of Section 282 A it has to be signed by that authority and to be issued in paper form or communicated in electronic form by that authority in accordance with procedure prescribed. Thus, considering the provisions of Section 282 and 282 A of the Act, 1961 and the provisions of Section 13 of the Act, 2000 and meaning of the word "issue" NFAC concluded that firstly notice shall be signed by the assessing authority and then it has to be issued either in paper form or be communicated in electronic form by delivering or transmitting the copy thereof to the person therein named by modes provided in section 282 which includes transmitting in the form of electronic record. Section 13(1) of the Act, 2000 provides that unless otherwise agreed, the dispatch of an electronic record occurs when it enters into computer resources outside the control of the originator. Thus, the point of time when a digitally signed notice in the form of electronic record is entered in computer resources outside the control of the originator i.e. the assessing authority that shall be the date and time of issuance of notice under section 148 read with Section 149 of the Act, 1961. In this case, it was observed from the copy of Notice u/s 148 filed by the assessee, that the Notice bears the date 31/03/2021 and the Digital Signature of AO shows the date 'Thursday April 1, 2021 2.27 PM' On the foot note of the said notice, following has been written: "If digitally signed, the date of digital signature may be taken as date of document". In view of the above discussion, NFAC concluded that the impugned notice u/s 148 of the Act shall be treated to have been issued on 01.04.2021 as the same has been digitally signed by the AO on 01-04-2021 and in no case, issue of notice can take place before signing of the same either electronically or otherwise. Thus, in this case, the reassessment notice was held to be issued on 01.04.2021 and accordingly, new provisions of making reassessment, Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 (hereinafter referred to as "TOLA"), ratio of Supreme Court Judgement and consequent CBDT Instruction No. 1/2022 dated 11.05.2022 are made applicable by the NFAC.

7. The aforesaid observations of NFAC are completely in accordance with law and require no interference. Hon'ble Supreme Court in case of Rajeev Bansal (Civil Appeal No 8629 of 2024 order dated 3/10/2024) has reiterated the earlier order dated in Ashish Aggarwal (2023) 1 SCC 617, and the following principle is applicable to the case in hand;

> *"28.1. The impugned Section 148 notices issued to the respective assessees which were issued under unamended Section 148 of the IT Act, which were the subject matter of writ petitions before the various respective High Courts shall be deemed to have been issued under*

> *Section 148-A of the IT Act as substituted by the Finance Act, 2021 and construed or treated to be show-cause notices in terms of Section 148-A(b). The assessing officer shall, within thirty days from today provide to the respective assessees information and material relied upon by the Revenue, so that the assessees can reply to the show-cause notices within two weeks thereafter."*
>
> *8. Ld. DR has failed to establish that the order of NFAC is in any way beyond the principles laid down by the Hon'ble Supreme Court in the aforesaid referred two cases. The question to be examined is not just about the competence of sanction giving authority u/s 151 of the Act, but the larger issue has been examined by the NFAC and rightly decided against the AO. Thus grounds raised, as raised, have no substance. The appeal of Revenue is dismissed."*

36. Having carefully perused the entirety of the record and respectfully following the binding precedents of the Hon'ble Supreme Court and various High Courts, we find no ambiguity in law that the date of digital signature and issuance determines the date of a notice u/s.148 of the Act. In the present case, though the notice is dated 31.03.2021, it stands undisputed that the same was digitally signed and thereafter disseminated through the ITBA portal only on 01.04.2021. In terms of the legal position crystallized in the decisions of the Hon'ble Delhi High Court in Suman Jeet Agarwal, such notices digitally signed/issued on or after 01.04.2021 are to be construed as falling within the substituted scheme of reassessment introduced by the Finance Act, 2021, and therefore must necessarily undergo scrutiny u/s.148A of the Act.

37. It is manifested from the record that the AO has proceeded under the erstwhile provisions without complying with the mandatory safeguards prescribed u/s.148A of the Act, such as issuance of a show-cause notice, furnishing of material relied upon, and passing of a reasoned order u/s.148A(d) of the Act with the approval of the specified authority. These statutory safeguards are not mere procedural formalities, but are jurisdictional pre-conditions intended to protect the taxpayer from arbitrary reassessment. Non-observance thereof strikes at the very root of the reassessment proceedings. The assumption of jurisdiction by the AO, being contrary to the explicit mandate of the statute and inconsistent with the well-settled principles governing reassessment, cannot be sustained.

38. In light of the well-settled principle of law that issuance of an invalid notice strikes at the very root of the jurisdiction and thereby vitiates the entire proceedings, we are of the considered view that the impugned notice dated 31.03.2021, issued u/s.148 of the Act, 1961 on 01.04.2021, is contrary to and in clear breach of the mandatory requirements prescribed u/s.148A of the Act. The said notice is, therefore, rendered void ab initio and incapable of conferring any valid jurisdiction upon the AO. As an inevitable corollary, every consequential action taken pursuant thereto including the impugned reassessment order dated 23.03.2022 passed u/s.147 r.w.s 144 of the Act, bearing DIN: ITBA/AST/S/147/2021-22/1041324415(1) for the A.Y.2015-16 stands deprived of legal sanctity and is accordingly quashed. In view of the foregoing findings on the jurisdictional issue, the assessee succeeds on the legal ground raised, and the appeal of the assessee for A.Y.2015-16 is allowed.

ITA No.3047/Chny/2025 (A.Y.2016-17)

39. As the facts and issues involved in the assessee's appeal in ITA No.3046/Chny/2025 for A.Y.2015-16 are identical to those in ITA No.3047/Chny/2025 for A.Y. 2016-17, our findings and reasoning for A.Y. 2015-16 shall apply mutatis mutandis to A.Y. 2016-17 as well. Accordingly, for the same reasons, we quash the impugned assessment order dated 24.03.2022 passed u/s.147 r.w.s 144 of the Act for the A.Y. 2016-17 bearing DIN:ITBA/AST/S/147/2021-22/1041534712(1). The assessee therefore succeeds on the legal ground raised, and the appeal of the assessee for A.Y. 2016-17 is allowed.

ITA No.3048/Chny/2025 (A.Y.2017-18)

40. As the facts and issues involved in the assessee's appeal in ITA No.3046/Chny/2025 for A.Y.2015-16 are identical to those in ITA No.3048/Chny/2025 for A.Y. 2017-18 and hence our findings and reasoning for A.Y. 2015-16 shall apply mutatis mutandis to A.Y. 2017-18 as well. Accordingly,

for the same reasons, we quash the impugned assessment order dated 23.03.2022 passed u/s.147 r.w.s 144 of the Act for the A.Y. 2017-18 bearing DIN: ITBA/AST/S/147/2021-22/1041330503(1). The assessee therefore succeeds on the legal ground raised, and the appeal of the assessee for A.Y. 2017-18 is allowed.

41. In the result, all the three appeals of the assessee for the A.Ys 2015-16, 2016-17 and 2017-18 are allowed.

Order pronounced in the open court on 01st January, 2026 at Chennai.

Sd/-	**Sd/-**
(मनु कुमार गिरि)	**(एस. आर. रघुनाथा)**
(MANU KUMAR GIRI)	**(S. R. RAGHUNATHA)**
न्यायिक सदस्य/**Judicial Member**	लेखा सदस्य/**Accountant Member**

चेन्नई/Chennai,
दिनांक/Dated, the 01st January, 2026
jk
आदेश की प्रतिलिपि अग्रेषित/Copy to:
1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3.आयकर आयुक्त/CIT– Chennai/Coimbatore/Madurai/Salem
4. विभागीय प्रतिनिधि/DR
5. गार्ड फाईल/GF