

**IN THE INCOME TAX APPELLATE TRIBUNAL,
AGRA BENCH, AGRA**

**BEFORE : SHRI S. RIFAUH RAHMAN, ACCOUNTANT MEMBER
AND
SHRI SUNIL KUMAR SINGH, JUDICIAL MEMBER**

**ITA No. 427/Agr/2025
Assessment Year: 2015-16**

Pramod Kumar Garg, C-8, Kamla Nagar, Agra-282005.	Vs.	DCIT, Circle 2(1)(1), Agra.
PAN : ACHPG7825N		
(Appellant)		(Respondent)

Assessee by	Sh. Shashi Kumar Agarwal, CA
Department by	Sh. Shailendra Srivastava, Sr. DR

Date of hearing	16.12.2025
Date of pronouncement	15.01.2026

ORDER

PER : SUNIL KUMAR SINGH, JUDICIAL MEMBER:

This appeal has been preferred by assessee against the impugned order dated 20.08.2025 passed in Appeal No. NFAC/2014-15/10225440 by the Ld. Commissioner of Income-tax (Appeals), NFAC, Delhi u/s. 250 of the Income-tax Act, 1961 (hereinafter referred to as "the Act") for the assessment year 2015-16, wherein learned CIT(A) has partly allowed assessee's appeal.

2. Brief facts state that the assessee was engaged in the business of trading in shares and securities. The assessee filed original return of income for A.Y. 2015-16 on 11.09.2015, declaring total income of

Rs.24,78,460/-. An information was received from DGIT (Inv.), Mumbai through the Income-tax Business Application regarding coordinated and premeditated trading on the Mumbai Stock Exchange by engaging in reversal trades in illiquid stock options resulting in non-genuine business loss/gains to the beneficiary assesseees, to which the present assessee was a party to such manipulation. It was noticed from the data available under Project Falcon on the ITBA that the assessee has purchased stock options for an aggregate premium value amounting to Rs. 25,59,000/- and sold the same for an aggregate premium value of Rs.90,21,000/-, resulting in profit of Rs. 64,62,000/-. After considering assessee's submissions, learned Assessing Officer found that the assessee earned speculative income of Rs.85,67,234/- from M/s. A.G. Shares and Securities Ltd. and M/s. Multi Gaining Securities Services Pvt. Ltd. and added the same in the declared income of the assessee, vide order dated 09.03.2023.

3. Aggrieved, assessee preferred first appeal before Learned CIT(A), who concluded that the notice u/s. 148 of the Act was valid notice and partly allowed assessee's appeal by reducing the addition to Rs.64,62,000/- as against addition of Rs.85,67,234/- made by the Assessing Officer.

4. Assessee has preferred this second appeal mainly on the ground that learned CIT(A) has erred in confirming the substantial amount of addition made by the Assessing Officer, ignoring the invalid notice dated 30.07.2022 issued u/s. 148 of the Act, which is contrary to the order dated 03.10.2024 passed by Hon'ble Apex Court in Union of India & Ors. vs. Rejeev Bansal, 2024 (10) TMI 264(SC)(LB).

5. Perused the records and heard learned representative for assessee and learned DR for revenue.

6. The sum and substance of assessee's grievance is that the notice dated 30.07.2022 issued u/s. 148 relevant to the assessment year 2015-16 is invalid and contrary to the referred decision dated 03.10.2024 passed by Hon'ble Supreme Court in Union of India & Ors. vs. Rajeev Bansal [2024] 167 taxmann.com 70 (SC).

7. The instant case relates to A.Y. 2015-16. Assessing Officer initially issued notice dated 28.06.2021 u/s. 148 of the Act. The Finance Act, 2021 substituted section 147 to 151 of the Act w.e.f. 01.04.2021 and sections 147 to 151 of the old law ceased to operate from 01.04.2021. The Apex Court in Rajeev Bansal (supra) specifically observed that after 01.04.2021, any reference to the Income Tax Act means the Income Tax Act as amended by Finance Act, 2021 and held that the time limit prescribed for issuing reassessment notice u/s. 149 operate

retrospectively for three years for all situation and six years in case the escaped assessment amounts to or is likely to amount to more than Rs.50 lacs. In the instant case, it is not disputed that consequent upon the directions issued by Hon'ble Supreme Court in Union of India vs. Ashish Agarwal (2023) 1 SCC 617, the Assessing Officer issued fresh notice u/s. 148 of the Act on 30.07.2022, which is stated by the assessee to be beyond the period of limitation.

8. It is relevant to refer paragraph 19 (e) and 19(f) from the decision of Hon'ble Supreme Court in Rajeev Bansal (supra), which sets out the concession as made on behalf of the Revenue.

“19. a.

b.

c.

d.

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	Within 3 years	Expiry of Limitation read with TOLA for (2)	Within 6 years	Expiry of limitation read with TOLA for (4)
(1)	(2)	(3)	(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;
.....”

9. It is now crystal clear from the aforesaid decision of apex court in Rajeev Bansal (supra) that all notices relevant to the assessment year 2015-16 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 of Certain Provisions) Act, 2020 (TOLA). In the instant case, the notice u/s. 148 of the Act was issued on 30.07.2022 beyond the period of limitation, hence, time barred and bad in law, is quashed. All consequential assessment proceedings are accordingly quashed. Aforesaid issue is determined in favour of the assessee. The

other ground is mere academic in nature, which need not be adjudicated upon.

10. In the result, assessee's appeal is allowed.

Order pronounced in the open court on 15.01.2026.

**Sd/-
(S. RIFAUR RAHMAN)
ACCOUNTANT MEMBER**

**Sd/-
(SUNIL KUMAR SINGH)
JUDICIAL MEMBER**

Dated: 15.01.2026

*aks/-

Copy forwarded to:

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

Asst. Registrar, ITAT, Agra