

**9IN THE INCOME TAX APPELLATE TRIBUNAL**

**"I" BENCH, MUMBAI**

**BEFORE SHRI OM PRAKASH KANT, ACCOUNTANT MEMBER**

**SHRI SANDEEP SINGH KARHAIL, JUDICIAL MEMBER**

**ITA No.5130/MUM/2025**  
**(Assessment Year: 2017-18)**

**Akshay Deepak Talim,**

37 Hansaraj Damodar Building,  
Opera House, 42 Kennedy Bridge,  
Mumbai - 400004.  
PAN: AEUPT2975F

..... Appellant

v/s

**Income Tax Officer (International Taxation)**

**Ward 4(1)(1),**

Room No. 629, 6<sup>th</sup> floor, Kautilya Bhavan,  
C-41 to C-43, G Block Bandra Kurla Complex,  
Bandra (East),  
Mumbai - 400051.

..... Respondent

Assessee by : Shri Suhas Kulkarnai, Adv.

Revenue by : Shri Krishna Kumar, Sr. DR

Date of Hearing - 21/01/2026

Date of Order - 30/01/2026

**ORDER**

**PER SANDEEP SINGH KARHAIL, J.M.**

The assessee has filed the present appeal challenging the impugned final assessment order dated 30/06/2025, passed under section 143(3) r.w.s 144C(13) of the Income-tax Act, 1961 (*"the Act"*), pursuant to the directions dated 24/06/2025 issued by the learned Dispute Resolution Panel-1, Mumbai [*"learned DRP"*], for the assessment year 2017-18.

2. In this appeal, the assessee has raised the following grounds: -

***GROUND NO. 1: Reopening beyond three years is invalid.***

*On the facts and circumstances of the case and in law the Ld. DRP and the Ld. AO failed to appreciate that the alleged income escaped the assessment is at ₹ 12,35,000/-. In view of the provisions of S. 149(1)(a) and S. 149 (1)(b), the Ld. AO erred in assuming the jurisdiction to reopen the assessment. The order is therefore invalid, bad in law and is liable to quash.*

**GROUND NO. 2: The assessment is reopened without tangible material**

*48A(b)/A On the facts and circumstances of the case and in law the Ld. DRP and the Ld. AO failed to consider the evidences submitted before him, in response to notice u/s 148A(b)/As such there was no tangible material available with the assessing officer that would justify reopening the case under Section 147.*

*Moreover, the addition of ₹. 12,35,000/- made by the assessing officer is based on the information supplied by assessee himself.*

**GROUND NO. 3: Addition beyond the scope of reasons recorded for reopening**

*On the facts and circumstances of the case and in law, the Ld. DRP and the Ld. AO erred in upholding the addition of Rs. 12,35,000 made by the AO, who, having accepted the assessee's explanation on the reasons recorded in the Section 148 notice and made no addition thereon, exceeded jurisdiction by making additions on grounds beyond the scope of the said notice, without issuing a fresh notice under Section 148A(b) for the alleged escapement. The assessment is therefore liable to be quashed.*

**GROUND NO. 4: Addition U/s 69A is contrary to the law:**

*On the facts and circumstances of the case and in law, the Ld. DRP and the Ld. AO erred in treating the amount deposited in the lenders' accounts as unexplained money in the hands of the assessee, without having any supporting evidence and without conducting any enquiry into the genuineness of the said transactions.*

*The Ld. DRP and Ld. AO failed to appreciate that the deeming fiction of 68, 69, and 69A are to be strictly construed and therefore the order is unsustainable based on discussions in the orders. The addition is liable to be deleted.*

**GROUND NO. 5: General Ground**

*5.1 On the facts and circumstances of the case and in law the directions issued by the Ld. DRP and the order passed by the Ld. AO is bad in law, unsustainable and devoid of any merits. The addition of Rs. 12,35,000 may kindly be deleted.*

*5.2 The Appellant craves leave to add, alter, amend, or withdraw any of the above grounds of appeal.*

3. During the hearing, the learned Authorised Representative ("*learned AR*"), at the outset, submitted that the reopening of assessment is time-barred as the notice under section 148 of the Act was issued after 3 years from the end of the relevant assessment year. The learned AR, by referring to the provisions of section 149 of the Act, submitted that even the extended period of 10 years from the end of the relevant assessment year for issuing notice under section 148 of the Act is not available to the Revenue as the income chargeable to tax, which can be alleged to have escaped assessment, is less than Rs.50 lakh. By referring to the facts of the case, the learned AR submitted that notice under section 148A(b) of the Act was issued to the assessee on the basis of information received from the office of the Sub-Registrar regarding the purchase of immovable property of Rs.1,09,09,151 by the assessee. Accordingly, various details were sought from the assessee, inter alia, pertaining to the nature and source of the funds used for purchasing the said immovable property. The learned AR submitted that the assessee, in response to the said notice, submitted that for purchasing the property, i.e. the flat in Pune, he availed a loan of Rs.1.08 crore from the PNB Housing Finance Ltd and the remaining payment pertaining to the cost of the acquisition was paid from the loan received from parents, parents-in-law and relatives. By referring to the reply filed by the assessee, the learned AR submitted that the necessary documentary evidences were also furnished by the assessee in support of its contentions. However, vide order passed under section 148A(d) of the Act, the submission of the assessee was completely disregarded, and it was held that the income chargeable to tax amounting to Rs.1,09,09,151 has escaped

assessment. The learned AR submitted that the conclusion vide aforesaid order passed under section 148A(d) of the Act is completely erroneous, as the assessee duly substantiated with necessary documentary evidence that he availed a loan of Rs.1.08 crore from the PNB Housing Finance Ltd. and the validity of the documentary evidence has not been doubted by the Revenue. The learned AR submitted that this submission is duly corroborated by the final assessment order, under which the addition under section 69A of the Act is confined to Rs.12,35,000, being the loan received by the assessee from his in-laws. Thus, the learned AR submitted that the income chargeable to tax, which can be alleged to have escaped assessment, in the present case, is below Rs.50 lakh, and thus, the notice issued under section 148 of the Act after 3 years from the end of the relevant assessment year is barred by limitation. Therefore, the entire reassessment proceedings, resulting in the impugned addition, are bad in law.

4. Before proceeding further, it is pertinent to note the provisions of the Act, which are relevant for the adjudication of the issue at hand. Section 148A of the Act, during the relevant period, i.e. prior to its substitution by the Finance (No. 2) Act, 2024, w.e.f. 01/09/2024, reads as follows: –

*"Conducting inquiry, providing opportunity before issue of notice under section 148.*

*148A. The Assessing Officer shall, before issuing any notice under section 148,—*

*(a) conduct any enquiry, if required, with the prior approval of specified authority, with respect to the information which suggests that the income chargeable to tax has escaped assessment;*

*(b) provide an opportunity of being heard to the assessee, by serving upon him a notice to show cause within such time, as may be specified in the notice, being not less than seven days and but not exceeding thirty days from the date on which such notice is issued, or such time, as may be extended by him on the basis of an application in this behalf, as to why a notice under section 148 should not be issued on the basis of information which suggests that income chargeable to tax has escaped assessment in his case for the relevant assessment year and results of enquiry conducted, if any, as per clause (a);*

*(c) consider the reply of assessee furnished, if any, in response to the show-cause notice referred to in clause (b);*

*(d) decide, on the basis of material available on record including reply of the assessee, whether or not it is a fit case to issue a notice under section 148, by passing an order, with the prior approval of specified authority, within one month from the end of the month in which the reply referred to in clause (c) is received by him, or where no such reply is furnished, within one month from the end of the month in which time or extended time allowed to furnish a reply as per clause (b) expires:*

*Provided that the provisions of this section shall not apply in a case where,—*

*(a) a search is initiated under section 132 or books of account, other documents or any assets are requisitioned under section 132A in the case of the assessee on or after the 1st day of April, 2021; or*

*(b) the Assessing Officer is satisfied, with the prior approval of the Principal Commissioner or Commissioner that any money, bullion, jewellery or other valuable article or thing, seized in a search under section 132 or requisitioned under section 132A, in the case of any other person on or after the 1st day of April, 2021, belongs to the assessee; or*

*(c) the Assessing Officer is satisfied, with the prior approval of the Principal Commissioner or Commissioner that any books of account or documents, seized in a search under section 132 or requisitioned under section 132A, in case of any other person on or after the 1st day of April, 2021, pertains or pertain to, or any information contained therein, relate to, the assessee; or*

*(d) the Assessing Officer has received any information under the scheme notified under section 135A pertaining to income chargeable to tax escaping assessment for any assessment year in the case of the assessee.]*

*Explanation.—For the purposes of this section, specified authority means the specified authority referred to in section 151.”*

5. Thus, section 148A, during the relevant period, as inserted by the Finance Act, 2021, w.e.f. 01/04/2021, laid down the new procedure for the initiation of reassessment proceedings under the Act, constituting a

paradigm shift from the procedure prevailing prior to the aforesaid amendment by the Finance Act, 2021. Explaining the newly inserted provisions of section 148A of the Act, the Memorandum Explaining the Provisions of Finance Bill, 2021, states as follows: –

*"(vii) New Section 148A of the Act proposes that before issuance of notice the Assessing Officer shall conduct enquiries, if required, and provide an opportunity of being heard to the assessee. **After considering his reply, the Assessing Office shall decide, by passing an order, whether it is a fit case for issue of notice under section 148 and serve a copy of such order along with such notice on the assessee.** The Assessing Officer shall before conducting any such enquiries or providing opportunity to the assessee or passing such order obtain the approval of specified authority."*

*(Emphasis supplied)*

6. It is pertinent to note that prior to the amendment by the Finance Act, 2021, all these procedures, as laid down under the newly inserted provisions of section 148A, were not part of the Act. Thus, prior to the amendment by the Finance Act, 2021, the notice under section 148 of the Act was issued by the Assessing Officer ("AO") on the basis of the tangible material forming the reason to believe that the income chargeable to tax has escaped assessment. Accordingly, while interpreting the provisions pertaining to the reassessment prior to the amendment by the Finance Act, 2021, the Hon'ble Courts held that at the stage of issue of notice, the only question is whether there was relevant material on the basis of which reasonable person can form a requisite belief that income chargeable to tax has escaped assessment, then proceedings under section 147 of the Act can be validly initiated. In this regard, reference can be made to the decision of the Hon'ble Supreme Court in ACIT vs. Rajesh Jhaveri Stock Brokers (P.) Ltd, reported in [2007] 291 ITR 500 (SC).

7. However, from the plain reading of the provisions of section 148A of the Act, it is evident that the section itself now mandates the AO to conduct enquiries, provide an opportunity of being heard to the assessee and after considering the assessee's reply, pass an order deciding whether it is a fit case for issuance of notice under section 148 of the Act. Therefore, the prima facie satisfaction of the AO or "*reason to believe*" is no longer the relevant criterion to test the decision of the AO for issuance of notice under section 148 of the Act under the new regime of reassessment proceedings w.e.f 01/04/2021. Thus, we are of the considered view that the provisions of section 148A of the Act, during the relevant period, i.e. w.e.f. 01/04/2021, specifically requires the decision by the AO, on the basis of the material available on record, including the reply of the assessee, whether or not it is a fit case to issue a notice under section 148 of the Act by passing an order. Further, the requirement of passing an order under section 148A(d) of the Act has not been laid down under the statute as an empty formality, and the AO has to apply its mind to the material available and the reply of the assessee, before declaring that it is a fit case to issue a notice under section 148 of the Act. The Hon'ble Jurisdictional High Court in *Classic Stripes (P.) Ltd. vs. DCIT*, reported in [2024] 162 taxmann.com 467 (Bom.), held that the order passed under section 148A(d) by the AO, without application of mind to the reply filed by the assessee in response to the notice issued under section 148A(b) of the Act, cannot be sustained and is liable to be quashed.

8. Further, section 149 of the Act, which provides a time limit for issuance of notice under section 148 of the Act, reads as follows: –

*"Time limit for notice.*

*149. (1) No notice under section 148 shall be issued for the relevant assessment year—*

*(a) if three years have elapsed from the end of the relevant assessment year, unless the case falls under clause (b);*

*(b) if three years, but not more than ten years, have elapsed from the end of the relevant assessment year unless the Assessing Officer has in his possession books of account or other documents or evidence which reveal that the income chargeable to tax, represented in the form of—*

*(i) an asset;*

*(ii) expenditure in respect of a transaction or in relation to an event or occasion; or*

*(iii) an entry or entries in the books of account,*

*which has escaped assessment amounts to or is likely to amount to fifty lakh rupees or more:"*

9. Therefore, section 149 of the Act provides that no notice under section 148 shall be issued after the expiry of 3 years from the end of the relevant assessment year. The provisions of section 149(1)(b) of the Act provides an exception and states that notice under section 148 of the Act can be issued after 3 years, but not after 10 years, from the end of the relevant assessment year, where, inter-alia, the income chargeable to tax, which has escaped assessment amounts to or is likely to amount to Rs.50 lakh or more.

10. In light of the aforesaid provisions of the Act, we shall now examine the facts of the present case leading to the issuance of notice under section 148 of the Act. The assessee is an NRI and has been residing in France since

2007. On 18/02/2024, ITO, Ward-42(2)(1), Mumbai, issued notice under section 148A(b) of the Act, pursuant to the information received from the Sub-Registrar Office, regarding the transaction pertaining to the purchase of immovable property amounting to Rs.1,09,09,151 by the assessee. Accordingly, the assessee was asked to show cause as to why the notice under section 148 of the Act should not be issued on the basis of the material. The assessee filed its response on 26/02/2024, submitting that he availed the housing loan of Rs.1.08 crore from the PNB Housing Finance Ltd for funding the purchase of the flat in Pune. In support of its submission, the assessee, inter alia, furnished a copy of the disbursement advice of the PNB Housing Finance Ltd and a copy of receipts and cheques for payment made to the builder. Since the assessee is an NRI, it is evident from the record that a fresh notice under section 148A(b) of the Act was issued on 18/03/2024 by the ITO, Int Tax, Ward-4(1)(1), Mumbai. Again, the assessee, inter alia, was asked to explain the nature and source of the funds used for making the purchase, along with the supporting documentary evidence. On 28/03/2024, the assessee filed his reply, stating that he, along with his wife, jointly purchased the residential house property from the builder Meridien in Pune. The assessee also submitted that the total cost of acquisition of the immovable property, including payments made towards contributions to the corpus, VAT, Service Tax, Stamp Duty and Registration Fees, amounts to Rs.1,23,19,655. Explaining the source of funds for making the aforesaid payment, the assessee submitted that he availed the housing loan from the PNB Housing Finance Ltd of Rs.1.08 crore and availed loan from his parents, in-laws and relatives amounting to Rs.17,35,000. The

details furnished by the assessee, in his reply dated 28/03/2024, regarding the source of payment for the cost of acquisition of the immovable property, are as follows: –

Sr. No.	Date of Receipt	PAN	Relation	Amount Rs.	Amount Rs.
1)	<b>Housing Loan – PNB Housing Finance Ltd</b>		N. A.		1,08,00,000
2)	<b>Handloan from Parents, Parents in Laws &amp; Relative</b>				
	Manik Hukumchand Shah	BFDPS1281N	Father in Law	5,00,000	
	Sangeeta Manik Shah	BFDPS1192E	Mother in Law	4,00,000	
	Pratik Manik Shah	AYVPS0753P	Brother in Law	3,35,000	
	Deepak Mukund Talim	ACDPT219L	Father	5,00,000	17,35,000
					<b>1,25,35,000</b>

11. The assessee also submitted the details of the cheque issued by the PNB Housing Finance Ltd to the builder, which are as follows: –

**"We obtained a Housing Loan of Rs. 1,08,00,000/- from PNB Housing Finance Ltd for the funding the purchase of this flat. The copy of loan sanction letter, three receipts and copies of cheques issued by PNB Housing Finance Ltd are enclosed as confirmation of disbursement of loan as under – (Encl. – 3 & 4)**

Sr. No.	Date of Receipt	Receipt No.	Details of Cheques issued by PNB Housing Finance Ltd.	Amount Rs.
1)	18/10/2016	IMPERIAL/1151	Cheque No. 627808	1,01,50,906
2)	06/01/2017	IMPERIAL/M.D/011	Cheque No. 086663	1,09,091
3)	06/01/2017	IMPERIAL/1218	Cheque No. 086664	5,40,003
		<b>Total</b>		<b>1,08,00,000</b>

12. The documentary evidences furnished by the assessee supporting its contentions, in reply to the notice issued under section 148A(b) of the Act, are as follows: –

- 1) Copies of Residence Permit of France & Passport.
- 2) Copy of purchase deed along with Index II of Property Purchased.
- 3) Copy of Sanction Letter from PNB Housing Finance Ltd.
- 4) Copy of Disbursement Advice of PNB Housing Finance Ltd.
- 5) Copies of Receipts & Cheques for Payment made to Builder Meridian (AOP)

13. The AO, vide order dated 30/03/2024 passed under section 148A(d) of the Act, held that the income amounting to Rs.1,09,09,151 has escaped assessment for the year under consideration, and therefore, it is a fit case for issuance of notice under section 148 of the Act. The relevant findings of the AO, vide order passed under section 148A(d) of the Act, are reproduced as follows: –

*"Findings of the Assessing Officer:*

*As per the information shared by Jt. Sub Registrar Haveli-15, the assessee has purchased immovable property located at Baner, Pune for a purchase consideration of Rs. 1,09,09,151/- on 17.10.2016*

*On perusal of schedule of payments made by the assessee to builder, it is observed that, assessee has made payment of Rs. 1,01,50,906 on 18.10.2016, Rs. 1,09,091 on 06.01.2017 and Rs. 5,40,003 on 06.01.2017. Assessee has furnished receipts issued by seller for these payments. On perusal of loan disbursement advice issued by PNB Housing Finance Ltd, it is observed that as on 04.01.2017, loan of Rs. 6,49,094/- is disbursed to the assessee. Assessee has not submitted any explanation/documentary evidence to explain source of funds used for making payment of Rs. 1,01,50,906/-. Further, assessee has not submitted bank statement through which these payments were made to the seller. Also, assessee has not submitted copy of deed of transfer, details of stamp duty paid and TDS deducted.*

*In view of above discussion, assessee has failed to explain with cogent supporting documents consideration of Rs. 1,09,09,151/- paid during the previous year relevant to A.Y. 2017-18. Therefore, amount of Rs. Rs. 1,09,09,151/- has escaped assessment.*

*7. The above-mentioned amount of Rs. 1,09,09,151/-, which is exceeding Rs.50 lacs is represented in the form of assets of the assessee. Thus, there is an escapement of assessment of income to the extent of Rs. 1,09,09,151/- which is in the form of 'asset' and is backed by the meaning of 'Asset', as defined under Explanation to Section 149(1) of the I.T. Act 1961 i.e. "Explanation for the purpose of clause (b) of this section, "asset" shall include immovable property, being land or building or both, shares and securities, loans and advances, deposits in bank account." In this regard, provisions of section 149(1) of the IT Act are reproduced as under:-*

*149. (1) No notice under section 148 shall be issued for the relevant assessment year, -*

*(a) if three years have elapsed from the end of the relevant assessment year, unless the case falls under clause (b);*

*[(b) if three years, but not more than ten years, have elapsed from the end of the relevant assessment year unless the Assessing Officer has in his possession books of account or other documents or evidence which reveal that the income chargeable to tax, represented in the form of-*

*(i) an asset;*

*(ii) expenditure in respect of a transaction or in relation to an event or occasion; or*

*(iii) an entry or entries in the books of account,*

*which has escaped assessment amounts to or is likely to amount to fifty lakh rupees or more:]"*

*5. Therefore, based on the above observations which originate from the material/information available on record with the AO, income to the tune of Rs. 1,09,09,151/- has escaped assessment for the year under consideration which is more than Rs. 50,00,00. Hence, this case falls within the provisions of section 149(1)(b) of the IT Act. Further, provisions of section 151 of the IT Act are also reproduced as under: -*

*"151. Specified authority for the purposes of section 148 and section 148A shall be, -*

*(i) Principal Commissioner or Principal Director or Commissioner or Director, if three years or less than three years have elapsed from the end of the relevant assessment year,*

*(ii) Principal Chief Commissioner or Principal Director General or Chief Commissioner or Director General, if more than three years have elapsed from the end of the relevant assessment year:]"*

*6. In this case no return of income has been filed for the year under consideration accordingly, no assessment was made. Further, the requirements to initiate proceedings u/s.147 of Income Tax Act, 1961 as provided by sections 148A r.w.s. 148 of the Act have been duly followed. In view of the above, provisions of section 147 are applicable to the fact of this case and the assessment year under consideration is deemed to be a case where income chargeable to tax of Rs. 1,09,09,151/-has escaped assessment. Therefore, this is a fit case to issue notice u/s. 148 of the Income 1961."*

14. From the perusal of the aforesaid order passed under section 148A(d) of the Act, it is evident that the AO only considered the disbursement advice issued by the PNB Housing Finance Ltd on 05/01/2017, whereby the loan of Rs.6,49,094 was disbursed to the assessee, vide two cheques issued on 04/01/2017 in the name of the builder. As noted in the foregoing

paragraphs, the assessee made a total payment of Rs.1.08 crore to the builder through a housing loan received from the PNB Housing Finance Ltd, which was paid to the builder vide three cheques, one cheque issued on 15/10/2016(received on 18/10/2016 by the builder) of Rs.1,01,50,906 and two cheques issued on 04/01/2017(received on 06/01/2017 by the builder) of Rs.1,09,091 and Rs. 5,40,003. As noted in the foregoing paragraphs, the copy of all three cheques issued by the PNB Housing Finance Ltd in the name of the builder, along with the receipts issued by the builder, were furnished by the assessee along with his reply to the notice issued under section 148A(b) of the Act and the same also forms part of the paper book from pages 118-122. Therefore, it is clearly evident that the AO, while passing the order under section 148A(d) of the Act, completely disregarded the first cheque issued by the PNB Housing Finance Ltd to the builder, amounting to Rs.1,01,50,906 on 15/10/2016, in respect of which the receipt was issued by the builder on 18/10/2016, and the same shows complete non-application of mind to the reply filed by the assessee alongwith documentary evidence. It is pertinent to note that during the scrutiny proceedings, pursuant to the notice dated 30/03/2024 issued under section 148 of the Act, the AO confined its scrutiny to the loan received from the family members. In this regard, it is relevant to note the show cause notice issued by the AO on 28/02/2025, which is reproduced as follows for ready reference: –

*"SHOW CAUSE NOTICE*

1. *Vide notice u/s.142(1) dated 15.01.2025, you were specifically asked the following to submit your reply/ documentary evidence:*

"On perusal of details filed by you, it is found that you have received loan from your relatives as under:-

Sr. No.	Name	PAN	Amount
1.	Manik Hukumchand Shah	BFDPS1281N	5,00,000/-
2.	Sangeeta Manik Shah	BFDPS1192E	4,00,000/-
3.	Partik Manik Shah	AYVPS0753P	3,35,000/-
4.	Deepak Mukund Talim	ACDPT2319L	5,00,000/-

(i) Identity of the loan donor i.e. PAN, Aadhar etc.

(ii) Creditworthiness of the loan donor i.e. Return of Income of relevant assessment year.

(iii) Genuineness of the transaction i.e. Bank statement of loan donor."

In response to the above, you have submitted bank statements of all the donors and return of income of only one donor i.e. Deepak Mukund Talim. On perusal of these details, it is found that three donors i.e. Manik Hukumchand Shah, Sangeeta Manik Shah and Partik Manik Shah have not filed their return of income for the year under consideration. Hence, these three donors has failed to prove their creditworthiness. Further, on perusal of bank statements of these three donors, it is found that before making the payment almost same amount credited in their account.

On perusal of bank statement of Partik Manik Shah, it is found that cash deposit of Rs. 30,000/- and Rs.45,000/- were made on 07.09.2016 and 17.09.2016 respectively. Further, two more credits of Rs. 30,000/- were also received on 17.09.2016 in Partik Manik Shah's bank account. Further, Bank statement from 01.10.2016 to 30.11.2016 of Partik Manik Shah's bank account was not submitted by you wherein big credits were received.

In view of above, these three donors i.e. Manik Hukumchand Shah, Sangeeta Manik Shah and Partik Manik Shah have failed to prove their creditworthiness and genuineness of transaction made with you. Hence, you are hereby show cause as to why the total loan of Rs.12,35,000/- received from these three donors should not be treated as unexplained money and added to your total income.

You were already given an opportunity to reply the already given an the above vide show cause notice dated 11.02.2025, the compliance date for the same was 19.02.2025, however, you have not submitted any details / documentary evidence till date. Hence, you are once again given the opportunity to submit the details/ documentary evidence on above show cause notice.

Please note that this is last and final opportunity of being heard failing to which proceedings will be completed without giving further opportunity."

15. Ultimately, vide draft assessment order passed under section 144C(1) of the Act, the AO only proposed an addition of Rs.12,35,000, pertaining to

the loan received by the assessee from his in-laws in respect of payment for acquisition of the immovable property. The said addition was upheld by the learned DRP vide its directions issued under section 144C(5) of the Act, and accordingly, resulted in the impugned addition under section 69A of the Act vide impugned final assessment order.

16. Thus, from the facts available on record, it is evident that the source of payment for purchase of immovable property from the loan of Rs.1.08 crore received from the PNB Housing Finance Ltd, doubted while passing the order under section 148A(d) of the Act, was not at all scrutinised/put into question after issuance of notice under section 148 of the Act and the only aspect which remain under scrutiny was the loan received by the assessee from his in-laws. Therefore, we find merit in the submissions of the learned AR that the income, which can be alleged to have escaped assessment in the present case, is below Rs. 50 lakh, as there is no basis in the findings of the AO vide order passed under section 148A(d) of the Act in partially considering the evidence furnished by the assessee and in doubting the genuineness of the claim of the assessee that he received Rs.1.08 crore as a loan from the PNB Housing Finance Ltd for purchasing the immovable property. Thus, after reducing the amount of Rs.1.08 crore (being the loan received from the PNB Housing Finance Ltd) from the total cost of acquisition of the immovable property being Rs.1,23,19,655, the balance amount is below Rs.50 lakh. Therefore, in the peculiar facts of the present case, we are of the considered view that there is no material to uphold the validity of the notice dated 30/03/2024 issued under section 148 of the Act

after the expiry of 3 years from the end of the relevant assessment year, i.e. 2017-18, in light of the provisions of section 149 of the Act. Accordingly, the notice issued under section 148 of the Act, being barred by limitation, is quashed. Consequently, the impugned final assessment order dated 30/06/2025 passed under section 147 r.w.s. 144C(13) of the Act is also quashed.

17. As relief is granted to the assessee for this short reason, the other grounds raised by the assessee are rendered academic and, therefore, are kept open.

18. In the result, the appeal by the assessee is allowed.

Order pronounced in the open Court on 30/01/2026

**Sd/-**  
**OM PRAKASH KANT**  
**ACCOUNTANT MEMBER**

**Sd/-**  
**SANDEEP SINGH KARHAIL**  
**JUDICIAL MEMBER**

**MUMBAI, DATED: 30/01/2026**

*Prabhat*

Copy of the order forwarded to:

- (1) The Assessee;
- (2) The Revenue;
- (3) The PCIT / CIT (Judicial);
- (4) The DR, ITAT, Mumbai; and
- (5) Guard file.

By Order

Assistant Registrar  
ITAT, Mumbai