

**IN THE INCOME TAX APPELLATE TRIBUNAL,
DEHRADUN “SMC” BENCH, DEHRADUN**

**BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER
AND
SHRI S. RIFAUR RAHMAN, ACCOUNTANT MEMBER
(Through Video Conferencing)**

ITA No.12/DDN/2025
Assessment Year: 2017-18

Sh. Arjun Singh Sahi, Aayakar Bhawan, 13A-Subhash Road, Uttarakhand	Vs.	DCIT/ACIT, Central Circle, Dehradun
PAN :AXJPS5225P		
(Appellant)		(Respondent)

Assessee by	Sh. Mukesh Kudiyal, Adv.
Department by	Sh. A.S. Rana, Sr. DR

Date of hearing	14.01.2026
Date of pronouncement	06.02.2026

ORDER

PER SATBEER SINGH GODARA, JM:

This assessee's appeal for assessment year 2017-18, arises against the Commissioner of Income Tax (Appeals)-3 [in short, the "CIT(A)"], Noida's order dated 27.11.2024 passed in case no. CIT(Appeal), Kanpur-4/11828/2016-17, involving proceedings under sections 147 of the Income-tax Act, 1961 (hereinafter referred to as 'the Act').

Heard both the parties. Case file perused.

2. It emerges during the course of hearing that there arises the first and foremost issue of validity of the impugned reopening thereof u/s 148/147 of the Act initiated by the learned Assessing Officer vide notice dated 14.10.2019 in light of the facts narrated hereunder.

This assessee/appellant is admittedly assessed as an individual. And that the police authorities appear to have nabbed him with a cash amount of Rs.10 lakhs on 13.01.2017. The same was seized as per the memo prepared on the very date (page 14 in the paper-book).

3. Coming to the impugned assessment, the assessee filed his return under section 139(1) on 28.07.2017 which followed his revised return under section 139(5) of the Act on 08.09.2017. The Assessing Officer thereafter issued section 153A notice to him on 16.10.2018 which stood dropped on 05.07.2019. There is further no dispute that the Assessing Officer thereafter served him the impugned reopening notice under section 148 on 14.10.2019 which finally culminated in his reassessment dated 27.01.2021 adding the foregoing sum of Rs. 10 lakhs as “unexplained” under

section 69A r.w.s. 115BBE of the Act as upheld in the lower appellate discussion.

4. It is in this factual backdrop that we put the department to notice as to why the impugned reopening itself be not quashed as assessment in the assessee's case had to be framed under section 143(3) of the Act since 153A(1)(b) of the Act could only cover the assessment year "immediately preceding assessment years relevant to the previous year in which such search is conducted or requisition is made and for the relevant assessment year(s)".

5. Learned CIT(DR) vehemently supports the impugned reopening on the ground that the cash seized herein could not be held as forming subject matter of the assessment already pending in furtherance to the assessee's return filed on 28.07.2017 (supra).

6. All these Revenue's arguments failed to evoke our concurrence. We wish to make it clear that the impugned assessment year AY 2017-18 happens to be the year of search or requisition; as the case may be, which could not have been proceeded against under section 153A of the Act. Nor the learned lower authorities could initiate section 148/147 proceedings since the assessee, at the best, could have been assessed under the

normal provisions under section 143(3) of the Act as the cash in issue already stood seized in the relevant financial year only. We thus quash the impugned reopening as not sustainable in law in very terms.

All other remaining pleadings between the parties stand rendered academic.

7. This assessee's appeal is allowed.

Order pronounced in the open court on 6th February, 2026

Sd/-
(S. RIFAUR RAHMAN)
ACCOUNTANT MEMBER

Sd/-
(SATBEER SINGH GODARA)
JUDICIAL MEMBER

Dated: 6th February, 2026.

RK/-

Copy forwarded to:

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

Asst. Registrar, ITAT, New Delhi