



**IN THE INCOME TAX APPELLATE TRIBUNAL, RAJKOT BENCH, RAJKOT  
BEFORE DR. ARJUN LAL SAINI, ACCOUNTANT MEMBER  
AND  
DR. DINESH MOHAN SINHA, JUDICIAL MEMBER**

**आयकर अपील सं./ITA No.07/RJT/2026  
Assessment Year: (2015-16)  
(Physical Hearing)**

Nileshkumar M. Bhalodi, Madhav Residency Third Floor, Block No.302, Rajkot - 360001	<b>Vs.</b>	ITO, Ward – 2(1)(1), Rajkot
PAN/GIR No.: <b>AJUPB8323Q</b>		
<b>(Assessee)</b>		<b>(Respondent)</b>

निर्धारिती की ओर से/Assessee by : Ms Devina Patel, AR  
राजस्व की ओर से/Respondent by : Shri Abhimanyu Singh Yadav, Sr. DR

सुनवाई की तारीख/**Date of Hearing** : 09/02/2026  
घोषणा की तारीख/**Date of Pronouncement** : 10/02/2026

**आदेश /ORDER**

**Per, Dr. A. L. Saini, AM:**

Captioned appeal filed by the assessee, pertaining to Assessment Year 2015-16, is directed against the order passed under section 250 of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') by the Learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi [Ld. CIT(A)/NFAC], dated 11.11.2025, which in turn arises out of assessment order passed by the Assessing Officer (AO) u/s 147 r.w.s. 144B of the Act, dated 30.05.2023.

2. Although, this appeal filed by the Assessee, for Assessment Year 2015-16, contains multiple ground of appeals. However, at the time of hearing we have carefully perused all the grounds raised by the Assessee. We find that most of the grounds raised by the Assessee, are either academic in nature or contentious in nature. However, to meet the end of justice, we confine ourselves to the core of the controversy and main grievances of the Assessee. The solitary grievance of the assessee in this appeal is that Learned CIT(A) has erred in upholding the reopening of assessment u/s 147 of the Act without appreciating that there was



no valid "reason to believe" and the mandatory conditions laid down u/s 147/148 were not satisfied and assessed the total income of Rs.51,31,508/- as against the Returned Income of Rs.3,30,530/-, which is unwarranted, unjustified and bad in law and liable to be quashed.

3. The facts of the case which can be stated quite shortly are as follows: The assessee had filed (income tax return) ITR for the AY 2015-16, declaring total income of Rs.3,30,530/-. Later on, the assessee's case was reopened u/s 147 of the Income tax Act, 1961 (Hereinafter referred to as "the Act") and notice u/s 148 was issued to the assessee on 25/07/2022 requesting to file return of income for the assessment year (AY) 2015-16. In response to the said notice, the assessee filed return of income on 17.10.2022, declaring total income of Rs.3,30,530/- for the assessment year (AY) 2015-16 which is same as in the original ITR filed u/s 139(1) of the Act, dated 23.06.2017.

4. In this case, the information was received by the assessing officer from the Investigation Wing, which suggests that the assessee had two bank accounts maintained with Axis Bank bearing A/c No.: 9150100294731338 913020001527257 in the name of Shri Nilesh Mansukhlal Bhalodi and in the name of M/s N.S. Consulting respectively. During the FY 2014-15 relevant to AY 2015-16, a total amount of Rs.3,39,83,971/- is found to have been deposited in the bank account of the assessee. It culminated into escapement of income of Rs.3,39,83,971/- as in order u/s 148A(d) of the Act, dated 22.07.2022, resulting in issue of notice u/s 148 of the Act, dated 25.07.2022.

During the assessment proceedings, the assessing officer also noticed that amount of Rs.2,60,28,257/- also has escaped from assessment. Therefore, assessing officer issued show cause notice to the assessee to explain these transactions.



5. In response to the notices of the assessing officer, the assessee submitted its reply before the assessing officer, along with documentary evidences on 23.01.2023. Again the notice was issued u/s 142(1) of the Act dated 13.01.2023 by the assessing officer, and against this notice, the assessee has submitted detailed reply before the assessing officer.

6. However, the assessing officer has rejected the reply of the assessee, thereafter, the assessee also filed further reply dated 19.05.2023 before the assessing officer along with necessary documentary evidence. However, the assessing officer rejected the reply of the assessee, and observed that the explanation as provided by the assessee cannot be regarded as a conclusive proof in support of the contention put forwarded by the assessee. Moreover, the assessee did not provide any credible evidence in respect of the business of the assessee. Therefore, assessing officer, on the basis of above transactions, has considered turnover of the assessee to the tune of Rs.6,00,12,228/- (Rs.3,39,83,971/- + Rs.2,60,28,257/-), as total turnover of the assessee and 8% of the total turnover of Rs.48,00,978/- ( 8% of Rs. Rs.6,00,12,228) was added back to the total income of the assessee, as net profit of the assessee.

7. Aggrieved by the order of assessing officer, the assessee carried the matter in appeal before the Ld. CIT(A), who has confirmed the action of the assessing officer, therefore, the assessee is in appeal before us.

8. Ms. Devina Patel, Learned Counsel for the assessee, begins by pointing out that assessee's case, under consideration pertains to assessment year (AY) 2015-16, which is squarely covered by the judgement of the Hon'ble Supreme Court in the case of Rajiv Bansal, 469ITR 46 (SC). As per the said judgement of the Hon'ble Supreme Court, when the assessment is to be re-opened after three years, then time limit to issue the notice is up to 31.03.2019. If the assessment is to be re-opened after expiry of six years then time limit to issue



the notice u/s 148 of the Act, is up to 31.03.2022, in the new regime. However, the assessing officer has issued the notice u/s 148A(b) of the Act on 27.05.2022, therefore, the notice issued by the assessing officer u/s 148A(b) of the Act is time barred, that is, barred by limitation. Therefore, the assessee's appeal may be allowed on this count.

9. On the other hand, Ld. Sr. DR for the revenue, fairly agreed with the submissions of learned Counsel for the assessee.

10. We have heard both the parties and carefully gone through the submissions put forth on behalf of the assessee along with the documents furnished and the case laws relied upon and perused the facts of the case including the findings of the Ld. CIT(A) and other material brought on record. We note that in assessee's case the original notice u/s 148 of the Act was issued on 12.04.2021, for which the time limit was up to 31.03.2019. We note that notice issued on or after 01.04.2021 would be time barred, as three years from assessment year (AY) 2015-16, got expired on 31.03.2019, as per amended section 149(1)(a) of the Act, as applicable from 01.04.2021.

Therefore, we find that notice u/s 148 of the Act was beyond time allowed as held in the decision of UOI vs. Rajeev Bansal, (2024) 469 ITR 46 (SC), dated 03.10.2024. The revenue made a concession in the aforesaid decision at Para 'f' therein, that for AY. 2015-16, all notices issued on or after 01.04.2021 would have to be dropped as they would not fall for completion during period prescribed under TOLA.

11. We note that even if the time limit of six years from the end of assessment year 2015-16, is considered, then also the notice issued under section 148A(b) is time barred. That is, the time limit of 6 years from the end of assessment year 2015-16, bearing in mind Section 149(1)(b) of the Act, as it existed prior to 01.04.2021, then notice u/s 148A(b) would be time barred by 31.03.2022. The



decision of Hon'ble Supreme Court in case of Ashish Agarwal would not apply to the case of assessee as it would only apply to judgments and orders passed by different High Courts where similar notices issued after 01.04.2021 u/s 148 are set aside, (2025) 474 ITR 48 (Delhi HC). We also find that due date to file reply by the assessee, as per section 148A(b) of the Act, was up to 11.06.2022. However, the order u/s 148A(d) of the Act was passed on 22.07.2022 and the actual notice u/s 148 of the Act was issued on 22.07.2022, which is clearly barred by limitation, as the actual notice u/s 148 of the Act should have issued on or before 31.03.2022, however, it was issued by the assessing officer on 22.07.2022, therefore, it is clearly barred by limitation, hence, the reassessment order framed by the assessing officer should be quashed.

12. Therefore, we find that based on the above facts, the issue under consideration is squarely covered in favour of the assessee by the judgment of Hon'ble Supreme Court in case of Rajeev Bansal (Supra), wherein it was held as follows:

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

- a. Parliament enacted TOLA as a free-standing legislation to provide relief and relaxation to both the assesses and the Revenue during the time of COVID- 19. TOLA seeks to relax actions and proceedings that could not be completed or complied with within the original time limits specified under the Income-tax Act;*
- b. Section 149 of the new regime provides three crucial benefits to the assesses: (i) the four-year time limit for all situations has been reduced to three years; (ii) the first proviso to Section 149 ensures that re-assessment for previous assessment years cannot be undertaken beyond six years; and (iii) the monetary threshold of Rupees fifty lakhs will apply to the re assessment for previous assessment years;*
- c. The relaxations provided under section 3(1) of TOLA apply "notwithstanding anything contained in the specified Act." Section 3(1), therefore, overrides the time limits for issuing a notice under section 148 read with Section 149 of the Income-tax Act;*



- d. *TOLA does not extend the life of the old regime. It merely provides a relaxation for the completion or compliance of actions following the procedure laid down under the new regime;*
- 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:*

<i>Assessment Year</i>	<i>Within 3 Years</i>	<i>Expiry of Limitation read with TOLA for (2)</i>	<i>Within six Years</i>	<i>Expiry of Limitation read with TOLA for (4)</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>
<i>2013-2014</i>	<i>31-3-2017</i>	<i>TOLA not applicable</i>	<i>31-3-2020</i>	<i>30-6-2021</i>
<i>2014-2015</i>	<i>31-3-2018</i>	<i>TOLA not applicable</i>	<i>31-3-2021</i>	<i>30-6-2021</i>
<i>2015-2016</i>	<i>31-3-2019</i>	<i>TOLA not applicable</i>	<i>31-3-2022</i>	<i>TOLA not applicable</i>
<i>2016-2017</i>	<i>31-3-2020</i>	<i>30-6-2021</i>	<i>31-3-2023</i>	<i>TOLA not applicable</i>
<i>2017-2018</i>	<i>31-3-2021</i>	<i>30-6-2021</i>	<i>31-3-2024</i>	<i>TOLA not applicable</i>

- 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;*
- g. *Section 2 of TOLA defines "specified Act" to mean and include the Income-tax Act. The new regime, which came into effect on 1 April 2021, is now part of the Income-tax Act. Therefore, TOLA continues to apply to the Income Tax Act even after 1 April 2021; and*
- h. *Ashish Agarwal (supra) treated Section 148 notices issued by the Revenue between 1 April 2021 and 30 June 2021 as show-cause notices in terms of Section 148A(b). Thereafter, the Revenue issued notices under section 148 of the new regime between July and August 2022. Invalidation of the Section 148 notices issued under the new regime on the ground that they were issued beyond the time limit specified under the Income-tax Act read with TOLA will completely frustrate the judicial exercise undertaken by this Court in Ashish Agarwal (supra)."*

13. We note that in the case of Deepak Steel and Power Ltd. (2025) 174 taxmann.com 144 (SC), the revenue made a concession, for Assessment Year (AY) 2015-16 and stated that all notices issued on or before 01.04.2021 would



have to be dropped. For that, reliance is placed on the decision of the Hon'ble Supreme Court in case of Deepak Steel and Power Ltd. (supra), wherein it was held as follows:

*“4. The learned counsel appearing for the revenue with his usual fairness invited the attention of this Court to a three judge bench decision of this Court in Union of India v. Rajeev Bansal 2024 SCC OnLine SC 2693/[2024] 167 taxmann.com 70/301 Taxman 238/469 ITR 46 (SC), more particularly, paragraph 19(f) which reads thus:-*

*“19. (f) The Revenue concedes that for the assessment year 2015-2016, all notices issued on or after April 1, 2021 will have to be dropped as they will not fall for completion during the period prescribed under the Taxation and other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020.”*

*5. As the revenue made a concession in the aforesaid decision that is for the assessment year 2015-2016, all notices issued on or after 1<sup>st</sup> April, 2021 will have to be dropped as they would not fall for completion during the period prescribed under the taxation and other laws (Relaxation and Amendment of certain Provisions Act, 2020). Nothing further is required to be adjudicated in this matter as the notices so far as the present litigation is concerned is dated 25.6.2021.*

*6. In view of the aforesaid, in such circumstances referred to above the original writ petition nos.2446 of 2023, 2543 of 2023 and 2544 of 2023 respectively filed before the High Court of Orissa at Cuttack stands allowed.”*

14. We also find that issue under consideration is also covered in favour of the assessee by the judgment of the Hon'ble jurisdictional High Court of Gujarat in case of Sorathia Mahesh Veljibhai HUF (2025) 179 taxmann.com 54, wherein it was held as follows:

*“9. During the course of hearing before the Hon'ble Apex Court, Revenue conceded to the effect that so far as Assessment Year 2015-2016 is concerned, Revenue could not have issued the notices under section 3(1) of TOLA as considering the time period as prescribed under section 149 of the Act with effect from 01.04.2021, three years would be over on 31.03.2019 which is prior to coming into force of TOLA and six years would be completed on 31.03.2022 which is after operation of TOLA. In such circumstances, notices for Assessment Year 2015-2016 are held to be invalid by Hon'ble Apex Court in case of Rajeev Bansal (supra).”*

15. We note that when assessing officer issued notice u/s 148A(b) for AY 2015-16, after period of six years, which have lapsed on 31.03.2022, the said notice would be time barred and therefore invalid. We note that notice u/s 148 of the Act dated 12.04.2021 is beyond time limit of three years, that is,



31.03.2019, thus it deserves to be quashed as per the decision of Hon'ble Supreme Court in case of Rajeev Bansal (supra) Further, even if time limit of 6 years is considered for issue of notice u/s 148A(b) of the Act for AY 2015-16, then also time limit to issue said notice got expired on 31-03-2022 because in case of assessee said notice u/s 148A(b) was issued on 22.05.2022. Hence, respectfully following the judgement of Hon'ble Supreme Court in case of Rajeev Bansal (supra) and judgement of jurisdictional High Court of Gujarat(supra), we find that notice u/s 148A(b) being time barred deserves to be quashed and the consequent order passed u/s 147 r.w.s. 144B of the Act dated 30.05.2023 is also quashed.

16. As the reassessment itself is quashed, all other issues on merits of the additions, in the impugned assessment proceedings, are rendered academic and infructuous.

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

**Order is pronounced in the open court on 10/02/2026.**

**Sd/-**

**(Dr. Dinesh Mohan Sinha)**

न्यायिक सदस्य/ **Judicial Member**

Rajkot

Date: 10/02/2026.

**आदेश की प्रतिलिपि अग्रेषित/ Copy of the order forwarded to :**

- अपीलार्थी/ The Assessee
- प्रत्यर्थी/ The Respondent
- आयकर आयुक्त/ CIT
- आयकर आयुक्त(अपील)/ The CIT(A)
- विभागीय प्रतिनिधि, आयकर अपीलीय आधिकरण, सूत/ DR, ITAT, Rajkot
- गार्ड फाईल/ Guard File

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**Sd/-**

**(Dr. Arjun Lal Saini)**

लेखा सदस्य/**Accountant Member**

By order,

Assistant Registrar/Sr.PS/PS

ITAT, Rajkot