

IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCHES : C : NEW DELHI

BEFORE MS MADHUMITA ROY, JUDICIAL MEMBER
AND
SMT. RENU JAUHRI, ACCOUNTANT MEMBER

ITAs No.2927 & 2928/Del/2025
Assessment Years : 2013-14 & 2015-16

Kanti Prasad Finvest Private
Limited,
204, 2nd Floor,
Main Joshi Road,
Karol Bagh, Anand Parbat,
SO Anand Parbat,
Delhi - 110 005.

Vs. ITO,
Ward 14(1),
Delhi

PAN: AABCK8320P

(Appellant)

(Respondent)

Assessee by : Shri Piyush Agarwal, CA
Revenue by : Shri Chandra Bhanu Mandal, Sr. DR

Date of Hearing : 23.12.2025
Date of Pronouncement : 13.02.2026

ORDER

PER BENCH:

The instant appeals filed by the Assessee are directed against the orders dated 04.03.2025 and 05.03.2025 of the Id. Commissioner of Income-tax (Appeals)-29, NFAC, Delhi [hereinafter referred to as the Ld. CIT(A)] u/s 250 of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') arising out of the assessment orders dated 16.05.2023 and 18.05.2023, respectively, passed by the

Assessment Unit, Income-tax Department (hereinafter referred to as 'the Id. AO') u/s 147 r.w.s. 144B of the Act for Assessment Year 2015-16.

2. The facts leading to the case is that the first notice under Section 148 of the Act was issued on 28.06.2021 and as per TOLA the extended limitation period was dated 30.06.2021. Therefore, the surviving period was three days from 28.06.2021 to 30.06.2021 and the minimum period available for the AO to issue order u/s 148A(d) was seven days.

3. Subsequently, after the order passed by the Hon'ble Apex Court in the case of Ashish Aggarwal in Civil Appeal No.3005 of 2002 the said notice was treated as notice u/s 148A under the new regime. The notice u/s 148A(d) thereafter was issued on 19.05.2022 giving two weeks' time to file the reply by the assessee, i.e., by 02.06.2022. In view of the order passed by the Hon'ble Apex Court the notice u/s 148A(d) under the new regime had to be issued within seven days surviving period i.e., by 09.06.2022 whereas the order u/s 148A(d) and notice u/s 148 had to be passed on 09.06.2022 whereas the order u/s 148A(d) as a second notice u/s 148 was issued on 28.07.2022, i.e., after 49 days after the surviving balance period. In view of the matter, the assessee has challenged the notice u/s 148 of the Act issued on 28.07.2022 as barred by limitation and, thus, liable to be quashed. Very many judgements were relied upon by the assessee in the following cases:-

- (i) Genesis Associates P. Ltd. vs AU vide ITA No. 952/Del/2024 dt. 13.11.2025;
- (ii) Aarti Bansal vs ITO vide ITA No. 5942/Del/2024 pronounced on 03.11.2025
- (iii) M/s Quasar India Ltd vs AU- ITA No.343/Del/2025 dated 26.11.2025
- (iv) Tyagi Pipe Craft P Ltd vs ITO ITA No. 147/Del/2025 dated 23.07.2025

Jurisdictional HIGH COURT OF DELHI

- (i) Manisha Agarwal vs ITO [2025] 179 taxmann.com 656 pronounced on 09.10.2025;
- (ii) Ram Balram Buildhome (P.) Ltd. vs ITO [2025] 171 taxmann.com 99 pronounced on 30.01.2025;

Reliance were also placed on the following judgments

- (i) Ashitkumar Satishchandra Patel vs ITO [2025] 179 taxmann.com 188 pronounced on 30.09.2025 by HIGH COURT OF GUJARAT;
- (ii) Dhanraj Govindram Kella vs ITO [2025] 177 taxmann.com 194 pronounced on 08.07.2025 by HIGH COURT OF GUJARAT;
- (iii) Shri Vishvamurte Tradeinvest Pvt. Ltd vs ITO vide ITA No. 103 &432/Ahd/2025 pronounced on 27.11.2025 by ITAT Ahmedabad
- (iv) ITO vs Ilesh Infracap Pvt. Ltd. vide ITA No. 2114&2115/Ahd/2024 pronounced on 25.11.2025 by ITAT Ahmedabad;

(v) DCIT vs Larsen & Toubro Ltd. [2025] 173 taxmann.com 582 dated 07.04.2025 by ITAT Mumbai

(vi) Nilanjana Arvinder Singh vs DCIT [2025] 173 taxmann.com 499 dt. 13.03.2025 by ITAT Mumbai

4. The Ld. DR has not been able to controvert such factual aspect. Thus, having regard to the facts involved in the matter and the judgements passed by different forums as indicate hereinabove, the notice under Section 148 of the Act dated 28.07.2022 is found to be barred by limitation and the same is, thus, liable to be quashed.

ITA No.2928/Del/2025 (AY 2015-16)

5. In this case, the first notice was issued u/s 148 of the Act on 28.06.2021, the extended limitation as per TOLA was 30.06.2021. The surviving period, therefore, only of 3 days commencing from 28.06.2021 to 30.06.2021 and the minimum period available with the AO to issue order u/s 148A(d) as per the proviso was seven days. For computing the surviving/balance time limit as per the decision of the Hon'ble Supreme Court in the case of Rajeev Bansal had only seven days time to issue the notice u/s 148 under the new regime i.e., by 09.06.2022 as notice u/s 148A(b) of the Act was issued on 19.05.2022 directing the assessee to give reply within two weeks i.e., by 02.06.2022. The assessee filed its reply on 02.06.2022 in response to the show cause notice issued u/s

148A(b) of the Act, but, ultimately, the notice u/s 148A(d) and 148 of the Act was issued on 28.07.2022 instead of by 09.06.2022, i.e., 49 days after the surviving balance period. In this connection, not only the assessee challenged the notice u/s 148 of the Act as barred by limitation but also placed this particular aspect of the matter before us that in the case of Rajeev Bansal vs. Union of India (2024) 469 ITR 46 (SC) in para 19, observed that the ASG appearing on behalf of the Revenue had given an undertaking that no notice u/s 148 shall be issued for AY 2015-16 the contents whereof was duly recorded by the Coordinate Bench while dealing with an identical matter in the case Mohd. Alam Qureshi vs. ITO, ITANo.3986/Del/2025 for AY 2015-16 pronounced on 19.11.2025, which read as under:-

"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 Mohd. Alam Qureshi vs. ITO 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 (1)	Within 3 Years (2)	Expiry of Limitation read with TOLA for (2) (3)	Within six years (4)	Expiry of Limitation read with TOLA for (4) (5)
2013-14	31.03.2017	TOLA not applicable	31.03.2020	30.06.2021
2014-15	31.03.2018	TOLA not applicable	31.03.2021	30.06.2021
2015-16	31.03.2019	TOLA not applicable	31.03.2022	TOLA not applicable
2016-17	31.03.2020	30.06.2021	31.03.2023	TOLA not applicable
2017-18	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;

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).”

6. Upon the undertaking given by the ASG as in the case of Rajeev Bansal the Hon'ble Supreme Court has been pleased to hold that TOLA is not applicable for AY 2015-16 and further that otherwise under the old provision of Section 149 of the Act for AY 2015-16 on 25.07.2022 is found to be barred by limitation. With the following observation thus the coordinate Bench has been pleased to allow the appeal preferred by the assessee quashing the notice issued u/s 148 of the Act:

9. As per the aforesaid judgement and considering the fact that the assessment year involved in present appeal is AY 2015-16 and notice u/s 148 was originally issued on 06.04.2021 and later on 29.07.2022 and both the dates are falling on or Mohd. Alam Qureshi vs. ITO after 1st April, 2021, therefore, the reassessment proceedings initiated u/s 148 of the Act deserves to be dropped in view of the undertaking given by the ASG on behalf of the Revenue before the Hon'ble Supreme Court. Further, for Assessment Year 2015-16, no notice u/s 148 of the Act could be issued after the expiring of six years from the end of the relevant assessment year which limitation expired on 31 st March, 2022. As the Hon'ble Supreme Court in the case of Rajiv Bansal (supra) has held that TOLA is not applicable for AY 2015-16, therefore, even otherwise under the old provisions of section 149 of the Act, the notice issued u/s 148 of the Act for Asst. Year 2015-16 on 25/07/2022 is barred by limitation. In view of these facts, the notice issued u/s 148 of the Act dated 29/07/2022 is hereby quashed. Accordingly, legal ground taken by the assessee is allowed.

7. In the case in hand before us, the notice u/s 148 of the Act was admittedly issued on 28.07.2022 which ought to have been issued by 09.06.2022 and keeping in view the undertaking given by the Ld. ASG before the Hon'ble Supreme Court in the case of Rajeev Bansal (supra) that TOLA is not applicable

for AY 2015-16, respectfully relying upon the order passed by the Coordinate Bench in the case of *Mohd. Alam Qureshi (supra)*, we quash the impugned notice u/s 148 as *void ab initio* and not sustainable in the eyes of law.

8. In the result, the appeal of the assessee is allowed.

Order pronounced in the open court on 13.02.2026.

Sd/-

Sd/-

(RENU JAUHRI)
ACCOUNTANT MEMBER

(MADHUMITA ROY)
JUDICIAL MEMBER

Dated: 13th February, 2026.

dk

Copy forwarded to:

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

Asstt. Registrar, ITAT, New Delhi