

आयकर अपीलीय अधिकरण, राजकोट न्यायपीठ, राजकोट।
IN THE INCOME TAX APPELLATE TRIBUNAL,
RAJKOT BENCH, RAJKOT

BEFORE DR. ARJUN LAL SAINI, ACCOUNTANT MEMBER
AND
SHRI DINESH MOHAN SINHA, JUDICIAL MEMBER

आयकर अपील सं./ITA No.551/RJT/2025
Assessment Year: 2015-16

Kantilal Ranchhodbhai Nakum Plot No.762, GIDC, Phase-2, Dared, Jamnagar-361 004	बनाम/ Vs.	Income Tax Officer, Ward-1(3), Jamnagar, Aaykar Bhawan, Nr. Chamber of Commerce Hall, Jamnagar- Rajkot Highway, Jamnagar-361 001
स्थायीलेखासं/ . जीआइआरसं/ . PAN/GIR No.: AFLPN 8072 P		
(अपीलार्थी/Appellant)	:	(प्रत्यर्थी/Respondent)

निर्धारिती की ओर से/Assessee by : Shri Ravindra Manek, AR
राजस्व की ओर से/Revenue by : Shri Sanjay Punglia, CIT-DR

सुनवाई की तारीख/Date of Hearing : 17/12/2025
घोषणा की तारीख/Date of Pronouncement : 13/02/2026

आदेश / ORDER

Per, Dr. Arjun Lal 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 National Faceless Appeal Centre (NFAC), Delhi/Commissioner of Income-tax (Appeals) [in short, “CIT(A)”] dated 29.07.2025, which in turn arises out of an assessment order passed by Assessing Officer u/s 147 r.w.s. 144B of the Act, on 12.05.2023.

2. Grounds of appeal raised by the assessee are as follows:

“1. The Hon’ble CIT(A) erred in law and on facts in confirming reopening of assessment u/s 148 of the Act.



2. *The Hon'ble CIT(A) erred in law and on facts in not following binding judicial precedent of the Hon'ble Supreme Court in case of Union of India v. Rajeev Bansal [2024] 167 taxmann.com 70 (SC) which has categorically held and which is even accepted by the Income Tax Department (revenue) itself that all the notices for AY 2015-16 are time-barred and have to be dropped (specifically conceded and accepted by ASG on behalf of revenue in said judgment).*
3. *The Hon'ble CIT(A) erred in law and on facts in upholding assessment order passed under section 144B read with Section 147 of the Act which otherwise is based on illegal and bad-in-law reassessment notice.*
4. *The Hon'ble CIT(A) erred in law and on facts in confirming reassessment proceedings based on notice u/s 148 issued by jurisdictional Assessing Officer (JAO) which is in contravention of mandatory provisions of faceless assessment scheme.*
5. *The Hon'ble CIT(A) erred in law and on facts in passing cryptic, vague, mechanical and non-speaking appellate order devoid any rationale and ignoring specific appellate pleading on validity of reassessment itself and other issues.*
6. *The Hon'ble CIT(A) has erred in law and on facts in passing mechanical assessment order which even refers to addition @ 8% of deposits which is not even made in original assessment order making appellate order itself completely cryptic, vague and unsustainable.*
7. *The Hon'ble CIT(A) erred in law and on facts in confirming addition of Rs.3,65,95,312/- as unexplained income of appellant.*
8. *The Hon'ble CIT(A) has erred in law as well as in fact in confirming addition of entire cash deposit of Rs.3,65,95,312/- without considering the fact that only profit element of the business can be taxed and not the entire deposits.*
9. *The Hon'ble CIT(A) erred in law and on facts in confirming levy of interest u/s 234A, 234B & 234C of the Income-tax Act, 1961.*
10. *The Hon'ble CIT(A) erred in law and on facts in confirming initiation of penalty u/s 271(1)(c) of the Income-tax Act, 1961.*
11. *The appellant craves leave to add, alter, amend, or withdraw any of the above grounds during the course of appellate proceedings."*

3. At the outset, Learned Counsel for the assessee, informs the Bench that assessee does not wish to press ground Nos.3 to 11, therefore, we dismiss ground Nos. 3 to 11, as not pressed.

4. When this appeal was called out for hearing, learned counsel for the assessee invited our attention to the Judgment dated 03.10.2024, of Hon'ble



Supreme Court in case of Union of India vs. Rajeev Bansal [2024] 167 taxmann.com 70 (SC), and stated that issue involved in the assessee case under consideration, is squarely covered by this judgement of the Hon'ble Supreme Court. The learned Counsel submitted that all the notices for assessment year (AY) 2015-16, are time-barred and have to be dropped, specifically conceded and accepted by ASG on behalf of Revenue in said judgment. Therefore, learned Counsel contended that appeal of the assessee for assessment year 2015-16 should be allowed on this technical issue.

5. On the other hand, learned DR for the revenue relied on the findings of the assessing officer.

6. We have heard both the parties and carefully gone through the submission put forth on behalf of the assessee along with the documents furnished and the case laws relied upon, and perused the fact of the case including the findings of the ld CIT(A) and other materials brought on record. We note that assessee's case was re-opened u/s 148A(d) of the Act, on 23.07.2022, vide DIN & Order No. ITBA/COM/F/17/2022-23/1044031932(1) which is available on ITBA. The matter has been taken up by the revenue u/s 148(A)(d) as per the decision of Hon'ble Supreme Court in civil Appeal No.3005/2022 in the case of Ashish Agarwal, vide judgement dated 04.05.2022. The notices under section 148 of the Act issued to the assessee after 01/04/2021 under un-amended provisions, and shall be deemed to have been issued under section 148A of the I.T. Act, as substituted by the Finance, 2021 and construed or treated to be show cause notices in terms of section 148A(b) of the I.T. Act, 1961. In view of this order pronounced by the Hon'ble Supreme Court, notice under section 148 already issued in assessee's case is treated as show cause notice issued under section 148A(b) of the Act. However, for assessment year 2015-16, the time limit to reopen the assessment is up to 3 years, that is, on or before 31.03.2019 and the time limit to



reopen the assessment up to 6 years is 31.03.2022, however, in assessee's case under consideration, the notice under section 148A(d) of the Act, was issued on 23.07.2022, which is clearly time barred.

7. We note that Hon'ble Supreme Court in case of Union of India vs. Rajeev Bansal [2024] 167 taxmann.com 70 (SC), has categorically held and which is even accepted by the Income Tax Department (Revenue) itself that all the notices for assessment year (AY) 2015-16 are time-barred and have to be dropped (specifically conceded and accepted by ASG on behalf of Revenue in said judgment). The important dates in the assessee's case under consideration are as follows:

Particulars	date
Relevant assessment year	2015-16
First notice u/s 148 without following amended provision of the Act	21.04.2021
Subsequent notice u/s 148A(d)	23.07.2022

8. We note that in assessee's case the original notice u/s 148 of the Act was issued on 21.04.2021, 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.

9. 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 find the order u/s 148A(d) of the Act was passed on 23.07.2022 and the actual notice u/s 148 of the Act was issued on 23.07.2022, 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 23.07.2022, therefore, it is clearly barred by limitation, hence, the reassessment order framed by the assessing officer should be quashed.

10. 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:

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

11. 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 1st 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.”

12. 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).”

13. 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 12.05.2023 is also quashed.

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

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

Order pronounced in the open court on 13/02/2026.

Sd/-

(DINESH MOHAN SINHA)

न्यायिक सदस्य/JUDICIAL MEMBER

राजकोट /Rajkot

दिनांक/ Date: 13/02/2026

DKP Outsourcing Sr.P.S

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

- अपीलार्थी/ The Appellant
- प्रत्यर्थी/ The Respondent
- आयकर आयुक्त/ CIT
- आयकर आयुक्त(अपील)/ The CIT(A)
- विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, राजकोट/ DR, ITAT, RAJKOT
- गार्डफाईल/ Guard File

Sd/-

(DR. ARJUN LAL SAINI)

लेखा सदस्य/ACCOUNTANT MEMBER

By order/आदेश से

सहायक पंजीकार
आयकर अपीलीय अधिकरण, राजकोट