

**IN THE INCOME TAX APPELLATE TRIBUNAL
SURAT BENCH, SURAT**

**BEFORE DR. B.R.R. KUMAR, VICE-PRESIDENT
MS. SUCHITRA KAMBLE, JUDICIAL MEMBER**

I.T.A. No. 938/SRT/2024
(Assessment Year: 2015-16)

Income Tax Officer, Ward 1(1)(3), Surat	Vs.	Ashok Kumar Jindal, 561, Adarsh Market, Ring Road, Surat-395003 [PAN : AAKPJ 5190 N]
(Appellant)	..	(Respondent)
Appellant represented by :	Shri Ajay Uke, Sr DR	
Respondent represented by:	Shri Sapnesh Sheth, Advocate	
Date of Hearing	23.01.2026	
Date of Pronouncement	17.02.2026	

ORDER

PER DR. B.R.R. KUMAR, VICE-PRESIDENT:-

This appeal has been filed by the Revenue against the order dated 22.07.2024 passed by the Ld. Commissioner of Income-tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi (hereinafter referred to as the "Ld. CIT(A)" for short), under Section 250 of the Income-tax Act, 1961 (hereinafter referred to as the "Act" for short) for Assessment Year 2015-16.

2. The Revenue has raised following grounds of appeal :-

"(i) On the facts and circumstances of the case and in law, the Ld. CIT(A) has erred in deleting the addition made by the AO u/s. 2(22)(e) of the Act by treating such unsecured loan of Rs.1,82,50,000/- as the companies by deemed dividend which has been received from partnership firm in which the assessee having more than 10% of shareholding.

(ii) On the facts and circumstances of the case and in law, the Ld. CIT(A) has erred in deleting the addition made by the AO u/s. 2(22)(e) of the Act and did not appreciate that the Auditor of the firm M/s Gulmohar Knitting has apparently given remark that the transaction made with the companies M/s Gulmohar Embroidery Pvt Ltd and M/s International Creation Pvt Ltd is transaction of loan.

(iii) On the basis of the facts and circumstances of the case and in law, the Ld. CIT(A) ought to have upheld the order of the Assessing Officer.

- 2-

(iv) It is therefore prayed that the order of the Ld. CIT(A) may kindly be set aside and that of the Assessing Officer be restored.”

3. At the outset of the hearing, the Learned Counsel for the assessee raised a preliminary objection challenging the validity of the reassessment proceedings. It was contended that the notice issued under Section 148 of the Act is barred by limitation and, therefore, the Assessing Officer lacked jurisdiction to reopen the assessment. It was submitted that the notice under Section 148 was issued on 23.04.2021, which fact is not in dispute.

4. We have considered the rival submissions and perused the material available on record. It is an admitted position that the notice under Section 148 of the Act for AY 2015-16 was issued on 23.04.2021, i.e., after the substitution of Sections 147 to 151 of the Act by the Finance Act, 2021 with effect from 01.04.2021. The first proviso to Section 149(1), as introduced by the Finance Act, 2021, imposes a statutory bar on issuance of notice under Section 148 beyond the prescribed limitation period. In accordance with the test laid down by the Hon'ble Supreme Court in Union of India v. Rajeev Bansal [2024] 167 taxmann.com 70 (SC) dated 03.10.2024, a notice issued after 01.04.2021 is valid only if a notice for the same AY could have been issued on or before 31.03.2021 under the unamended provisions of Section 149. On a perusal of the material on record, there is no indication by the Revenue that the notice for AY 2015-16 could have been validly issued before 31.03.2021. In the absence of such a fact, the notice issued on 23.04.2021 is barred by limitation.

5. In view of the above facts and circumstances of the case, and respectfully following the decision of the Hon'ble Supreme Court in the case of Union of India v. Rajeev Bansal (supra), we hold that the notice issued under section 148 of the Act on 23.04.2021 is time-barred and, therefore, invalid in the eyes of law. Consequently, the reassessment proceedings initiated on the basis of such invalid notice are *void ab initio* and liable to be quashed.

- 3-

6. Since the reassessment itself is held to be invalid on jurisdictional grounds, we do not deem it necessary to adjudicate the grounds raised by the Revenue on merits.

7. In the result, the appeal of the Revenue is dismissed.

The order is pronounced in the open Court on 17.02.2026

Sd/-

**(SUCHITRA KAMBLE)
JUDICIAL MEMBER**

Ahmedabad; Dated 17/02/2026

btk

Sd/-

**(DR. B.R.R. KUMAR)
VICE-PRESIDENT**

आदेश की प्रतिलिपि □ ग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / Concerned CIT
4. आयकर आयुक्त (अपील)/ The CIT(A)-
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण ,/DR,ITAT, Surat,
6. गार्ड फाईल /Guard file.

आदेशानुसार/ BY ORDER,

TRUE COPY

सहायक पंजीकार (Asstt. Registrar)
आयकर अपीलीय अधिकरण
ITAT, Surat