

आयकर अपीलीय अधिकरण, चण्डीगढ़ न्यायपीठ "ए", चण्डीगढ़
IN THE INCOME TAX APPELLATE TRIBUNAL, CHANDIGARH BENCH "A", CHANDIGARH

HEARING THROUGH: PHYSICAL MODE

श्री ललित कुमार, न्यायिक सदस्य एवं श्री कृणवन्त सहाय, लेखा सदस्य
BEFORE: SHRI. LALIET KUMAR, JM & SHRI. KRINWANT SAHAY, AM

आयकर अपील सं. / ITA No. 835/Chd/ 2025

निर्धारण वर्ष / Assessment Year : 2015-16

Ajay Tanta Village Mehana PO Dochi Tehsil Jubbal, Shimla-172105 Himachal Pradesh	बनाम	The ITO Ward-1 Shimla
स्थायी लेखा सं. / PAN NO: AERPT8881K		
अपीलार्थी/ Appellant		प्रत्यर्थी/ Respondent

निर्धारिती की ओर से/ Assessee by : Shri Ashray Sarna, C.A
राजस्व की ओर से/ Revenue by : Shri Vivek Vardhan, CIT, Sr. DR

सुनवाई की तारीख/Date of Hearing : 22/01/2026
उदघोषणा की तारीख/Date of Pronouncement : 24/02/2026

आदेश/Order

PER LALIET KUMAR, J.M:

This is an appeal filed by the Assessee against the order of the Ld. CIT(A)/NFAC, Delhi dt. 07/10/2024 pertaining to Assessment Year 2015-16.

2. In the present appeal Assessee has raised the following grounds:

1. That the order passed by the Hon'ble CIT(A) dated 07.10.2024 is against the law and facts of the case.

2. That having regard to the facts and circumstances of the case, Hon'ble CIT (A) has erred in law and on facts in confirming the action of Ld. AO in framing the impugned assessment order u/s 147 r.w.s 144 of the Income tax Act and without complying with the mandatory conditions u/s 147/144 as envisaged under the Income Tax Act, 1961

3. That having regard to the facts and circumstances of the case, Hon'ble CIT (A) has erred in law and on facts in confirming the action of Ld. AO without considering the fact that the notice issued under s. 148 of the Act in the present case is beyond the limitation period specified under s. 149(1) of the Act, and thus, the assessment order passed is void ab initio.

4. That having regard to the facts and circumstances of the case, Hon'ble CIT(A) has erred in law and on facts in confirming the action of Ld. AO in passing order without giving adequate opportunity of hearing.

5. That having regard to the facts and circumstances of the case, Hon'ble CIT (A) has erred in law and on facts in confirming the action of Ld. AO in making an addition of Rs. 51,64,956/-, u/s 69A of the Act, on account of cash deposits/credits in bank accounts treated as unexplained money, without

considering the facts of the case and without observing the principles of natural justice.

6. That the appellant craves the leave to add, modify, amend or delete any of the grounds of appeal at the time of hearing and all the above grounds are without prejudice to each other.

3. Briefly the facts of the case are that the assessee is an individual. The assessment for the assessment year 2015-16 was reopened by issuance of notice under section 148 of the Income-tax Act, 1961. In pursuance thereof, reassessment proceedings were initiated under section 147.

3.1 During the reassessment proceedings, notices were issued by the Assessing Officer. However, according to the assessment order, there was no effective compliance on behalf of the assessee. Consequently, the Assessing Officer completed the assessment ex parte under section 144 read with section 147 of the Act vide order dated 28.03.2024, making additions, inter alia, under section 69 of the Act and determining the total income at Rs.51,64,956/-.

4. Against the order of the AO, the assessee went in appeal before the Ld. CIT(A). The Ld. CIT(A) issued notices under section 250 on various dates. As recorded in the appellate order, no submissions were filed by the assessee, and the appeal was dismissed by the Ld. CIT(A) vide order dated 07.10.2024, primarily on the ground of non-prosecution, while also affirming the action of the Assessing Officer on merits.

5. Against the order of the Ld. CIT(A) the assessee preferred an appeal before the Tribunal, challenging the validity of the reassessment proceedings as being illegal, without jurisdiction and barred by limitation, in addition to challenging the additions made therein.

6. During the course of hearing the Ld. AR submitted that the entire reassessment proceedings are void ab initio, as the notice issued under section 148 for assessment year 2015-16 is barred by limitation and not saved by the provisions of the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 (TOLA).

6.1 Ld. AR contended that for assessment year 2015-16, the Assessing Officer had no jurisdiction to issue notice under section 148 on or after 01.04.2021, and therefore any reassessment initiated thereafter is invalid in law.

6.2 The Ld. AR placed reliance on the decision of the Hon'ble ITAT, Chandigarh Bench in the case of A.B. Motors Pvt. Ltd., wherein it has been held that all notices issued for A.Y. 2015-16 after 01.04.2021 are barred by limitation, following the judgment of the Hon'ble Supreme Court in *Union of India v. Rajiv Bansal*. It was submitted that the facts of the present case are identical and fully covered by the said decision.

6.3 It was further submitted that once the reopening itself is bad in law, the consequential assessment order passed under section 147 read with section 144 deserves to be quashed without going into the merits of the additions made by the Assessing Officer.

7. Per contra, the Ld. DR relied on the orders of the Assessing Officer and the Ld. CIT(A). It was submitted that the Assessing Officer had valid reasons to believe that income had escaped assessment and had completed the reassessment proceedings in accordance with law.

7.1 The Ld. DR further submitted that the assessee failed to comply with the statutory notices issued during the reassessment proceedings as well as during the appellate proceedings before the CIT(A). Therefore, the Assessing Officer was justified in completing the assessment under section 144, and the CIT(A) was justified in dismissing the appeal for non-prosecution.

7.2 The Ld. DR supported the findings recorded by the Ld. CIT(A) and submitted that no interference is called for in the impugned order.

8. We have carefully considered the rival submissions, perused the material available on the record and examined the orders passed by the lower authorities. The core issue requiring adjudication before us is whether the reassessment proceedings initiated for the assessment year 2015-16 by

issuance of a notice under section 148, and the consequential assessment order passed under section 147 read with section 144, are sustainable in law.

8.1 It is an undisputed fact that the assessment year involved is A.Y. 2015-16 and that the reassessment proceedings were initiated by the Assessing Officer after 01.04.2021. The assessee has challenged the very assumption of jurisdiction by the Assessing Officer on the ground that the notice issued under section 148 is barred by limitation and not saved by the provisions of the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 (TOLA).

8.2 We find that this issue is no longer res integra. The Coordinate Bench of the Tribunal in the case of A.B. Motors Pvt. Ltd. has categorically held that for the assessment year 2015-16, all notices issued under section 148 on or after 01.04.2021 are barred by limitation and are not protected by TOLA, following the judgment of the Hon'ble Supreme Court in *Union of India v. Rajiv Bansal*. The Tribunal further observed that the Revenue itself had conceded before the Hon'ble Supreme Court that reopening for A.Y. 2015-16 beyond 31.03.2021 is impermissible in law .

8.3 Respectfully following the binding decision of the Coordinate Bench, and in the absence of any distinguishing facts brought on record by the Revenue, we hold that the notice issued under section 148 in the present case is time-barred, and consequently, the entire reassessment proceedings are without jurisdiction and void ab initio.

8.4 Once the very foundation of the reassessment proceedings is held to be invalid in law, the assessment order passed under section 147 read with section 144 cannot survive. All additions made therein, including the addition under section 69 of the Act, are rendered academic and do not require adjudication on merits.

8.5 As regards the dismissal of the appeal by the Ld. CIT(A) for non-prosecution, it is well settled that a jurisdictional defect goes to the root of the matter and can be examined at any stage. Therefore, notwithstanding the non-appearance of the assessee before the Ld. CIT(A), the legality of

reassessment being barred by limitation deserves to be adjudicated, and the same cannot be cured by principles relating to non-prosecution.

8.6 In view of the above discussion, we hold that the reassessment proceedings for the assessment year 2015-16 are bad in law and liable to be quashed.

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

Order pronounced in the open Court on 24/02/2026

Sd/-

कृणवन्त सहाय
(KRINWANT SAHAY)
लेखा सदस्य/ ACCOUNTANT MEMBER

Sd/-

ललित कुमार
(LALIET KUMAR)
न्यायिक सदस्य /JUDICIAL MEMBER

AG

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

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent
3. आयकर आयुक्त/ CIT
4. आयकर आयुक्त (अपील) / The CIT(A)
5. विभागीय प्रतिनिधि, आयकर अपीलीय आधिकरण, चण्डीगढ़/ DR, ITAT, CHANDIGARH
6. गार्ड फाईल/ Guard File

आदेशानुसार/ By order,
सहायक पंजीकार/ Assistant Registrar