

**IN THE INCOME-TAX APPELLATE TRIBUNAL "C" BENCH,
MUMBAI**

**BEFORE SHRI NARENDRA KUMAR CHOUDHRY, JUDICIAL MEMBER
&
SHRI PRABHASH SHANKAR, ACCOUNTANT MEMBER**

**ITA No.7298/MUM/2025
(A.Y. 2013-14)**

**ITA No.7299/MUM/2025
(A.Y. 2014-15)**

**ITA No.7300/MUM/2025
(A.Y. 2015-16)**

Impressive Trading Private Limited A/9 Blue Diamond CHS, 8 Gilbert Hill Road, Andheri(W), Mumbai - 400058, Mumbai, Maharashtra	v/s. बनाम	Income Tax Officer, Ward 10(1)(1), Aaykar Bhavan, New Marine Lines, Mumbai - 400 020, Maharashtra
स्थायी लेखा सं./जीआइआर सं./PAN/GIR No: AAACI3690R		
Appellant/अपीलार्थी	..	Respondent/प्रतिवादी

Appellant by :	Shri Ketan Vajani, CA
Respondent by :	Shri Virabhadra S. Mahajan, (Sr. DR)

Date of Hearing	22.01.2026
Date of Pronouncement	11.02.2026

आदेश / ORDER

PER BENCH :-

The above captioned appeals preferred by the assessee emanate from the orders passed by the Learned Commissioner of Income-tax (Appeals)/National Faceless Appeal Centre, Delhi [hereinafter referred to as "CIT(A)"] pertaining to assessment orders u/s. 147of the Income-tax Act, 1961 [hereinafter referred to as "Act"] for the Assessment Years



[A.Ys.] 2013-14, 2014-15 & 2015-16. Since the issues are common and also the fact that appeals were heard together, they are being taken up together for adjudication vide this composite order for the sake of brevity. We take up appeal in ITA No. 7298/Mum/2025 first.

2. The grounds of appeal are as under:-

ITA No.7298/MUM/2025

1. *On the facts and under the circumstances of the case and in law the Ld. Commissioner of Income Tax (Appeals) has erred in confirming the reopening of the assessment by the ld. A.O. merely on the basis of vague information received from the Investigation Wing and no independent inquiry was made by him.*
2. *On the facts and under the circumstances of the case and in law the Ld. Commissioner of Income Tax (Appeals) has erred in confirming the conclusion of the Ld. A.O. that income chargeable to tax has escaped assessment.*
3. *On the facts and under the circumstances of the case and in law the Ld. Commissioner of Income Tax (Appeals) has erred in confirming the reopening of the assessment for this year 2013-14 by the Ld. A.O. ignoring the fact that last date for issue notice u/s 148 for this year expired long back on 31.03.2020 and therefore the notice issued u/s 148 is time barred, illegal and void abinitio and the impugned reassessment is bad in law.*
4. *On the facts and under the circumstances of the case and in law the Ld. Commissioner of Income Tax (Appeals) has erred in confirming the order passed u/s 148A(d) and notice issued u/s 148 after 29.03.2022 by the Ld. Jurisdictional A.O. which is invalid as the same is contrary to the provisions contained in the section 151A of the Act read with notification issued on 29.03.2022 regarding e-Assessment of Income Escaping Assessment Scheme, 2022.*
5. *On the facts and under the circumstances of the case and in law the Ld. Commissioner of Income Tax (Appeals) has erred in confirming the assessment order passed u/s 147 by the Jurisdictional Assessing Officer which is invalid as the same is contrary to the provisions contained in the section 151A of the Act read with notification issued on 29.03.2022 regarding e-Assessment of Income Escaping Assessment Scheme, 2022.*



6. On the facts and under the circumstances of the case and in law the Ld. Commissioner of Income Tax (Appeals) has erred in confirming addition of Rs. 1,39,86,758/- as undisclosed commission (being estimation at the rate 3 percentage of credit entries amounting to Rs. 46,62,25,272/- in the bank account) made by the Ld. A.O. merely on conjectures & surmises.

ITA No.7299/MUM/2025

1. On the facts and under the circumstances of the case and in law the Ld. Commissioner of Income Tax (Appeals) has erred in confirming reopening the assessment under section 148 of the Income Tax Act. Therefore impugned re-assessment order is bad in law and void abinitio.
2. On the facts and under the circumstances of the case and in law the Ld. Commissioner of Income Tax (Appeals) has erred in confirming issuing notice u/s 148 which is barred by limitation and hence the impugned reassessment order is also bad in law & void ab initio & needs to be quashed & annulled.
3. On the facts and under the circumstances of the case and in law the Ld. Commissioner of Income Tax (Appeals) has erred in confirming in reopening the assessment merely on the basis of vague information received from the Investigation Wing and no independent inquiry was made by him. Therefore impugned re-assessment order is bad in law and void abinitio.
4. On the facts and under the circumstances of the case and in law the Ld. Commissioner of Income Tax (Appeals) has erred in coming to conclusion that income chargeable to tax has escaped assessment without appreciating the reply submitted in response to show cause notice during assessment proceedings.
5. On the facts and under the circumstances of the case and in law the Ld. Commissioner of Income Tax (Appeals) has erred in confirming the assessment order passed u/s 147 by the Jurisdictional Assessing Officer which is invalid as the same is contrary to the provisions contained in the section 151A of the Act read with notification issued on 29.03.2022 regarding e-Assessment of Income Escaping Assessment Scheme, 2022.
6. On the facts and under the circumstances of the case and in law the Ld. Commissioner of Income Tax (Appeals) has erred in confirming the addition of Rs. 114,16,52,457/- (new issue) for total sales shown in books of account during the year ignoring the fact that no addition was made for the amount of Rs. 3,42,79,573/- (being 3 percentage of Rs. 114,16,52,457/-) as undisclosed commission which was the reason for reopening the assessment. When no addition is made for the original issue then no other addition can be made in law in reassessment.



7. *On the facts and under the circumstances of the case and in law the Ld. Commissioner of Income Tax (Appeals) has erred in confirming the addition of Rs.3,42,49,574/- at the rate 3 percent of credit entries in bank account as commission income.*
8. *On the facts and under the circumstances of the case and in law the Ld. Commissioner of Income Tax (Appeals) has erred in confirming the deemed total income determined u/s 115JB of the Act at Rs. 12,17,459/- in tax calculation sheet whereas the income as per return of income is loss of Rs. 31,86,531/u/s 115JB of the Act.*

ITA No.7299/MUM/2025

1. *On the facts and under the circumstances of the case and in law the Ld. Commissioner of Income Tax (Appeals) has erred in confirming the issuance of notice u/s 148 which is barred by limitation and therefore the consequent reassessment is void ab initio.*
2. *On the facts and under the circumstances of the case and in law the Ld. Commissioner of Income Tax (Appeals) has erred in confirming the reopening of the assessment merely on the basis of vague information received from the Investigation Wing and no independent inquiry was made by him.*
3. *On the facts and under the circumstances of the case and in law the Ld. Commissioner of Income Tax (Appeals) has erred in confirming conclusion of the Ld. AO. that income chargeable to Re tax has escaped assessment.*
4. *On the facts and under the circumstances of the case and in law the Ld. Commissioner of Income Tax (Appeals) has erred in confirming the addition of Rs. 1,16,22,479/- as undisclosed commission.*
5. *On the facts and under the circumstances of the case and in law. the Ld. Commissioner of Income Tax (Appeals) has erred in confirming the order passed u/s 148A(d) and notice issued u/s 148 after 29.03.2022 by the Ld. Jurisdictional A.O. which is invalid as the same is contrary to the provisions contained in the section 151A of the Act read with notification issued on 29.03.2022 regarding e-Assessment of Income Escaping Assessment Scheme, 2022.*
6. *On the facts and under the circumstances of the case and in law the Ld. Commissioner of Income Tax (Appeals) has erred in confirming the addition made of Rs. 1,16,22,479/- (being 36 percentage of credit entries in the appellants bank account amounting to Rs. 38,74,15,992/-)in view of the fact that no addition has been made on the issue of reopening of the assessment.*
7. *On the facts and under the circumstances of the case and in law the Ld. Commissioner of Income Tax (Appeals) has erred in confirming the*



conclusion of the Ld.A.O. that income chargeable to tax has escaped assessment in view of the fact that tax is payable in the return of income u/s 115JB and even after the addition of commission income tax is payable under section 115JB and there is no change in tax liabilities.

3. Since the grounds of appeal in all the above assessment years are identical, we are adjudicating them vide this composite order for the sake of brevity. It is noticed that in all the impugned assessment years, the assessments were reopened on the basis of certain information received from the Investigation Wing of the Department that the assessee was engaged in bogus accommodation entry activity to facilitate bogus sale and purchases without any actual movement of goods. Further, perusal of the current bank account statement of the assessee company maintained with Kotak Mahindra Bank Ltd. revealed circular movement of funds without having any actual trade as no supporting documents had been submitted in support of this transaction. Most of the related party transactions were between the 18 parties which were controlled by one Sharon Bio Medicine Limited (SBML) and assessee was one of such parties with whom this company had transacted with. Thus, the assessee was found to be one of the related parties used by SBML to inflate its sales and purchases through circular transactions of funds without actual movement of goods. The transactions were routed through the assessee's bank



account maintained with Kotak Mahindra Bank. The assessee company was engaged in circular trading. Accordingly, certain part of the credit entries in bank account was determined as assessee's undisclosed commission on percentage basis in all the assessment years, based on the report of the Wing. The additions made were upheld by the ld.CIT(A).

4. At the very outset, the ld.AR has drawn attention of the Bench to the legal grounds relating to validity of the notices issued u/s 148 of the Act and the consequential assessment orders in all the above assessment years. It is claimed that the notices issued were invalid and barred by time limitation in view of the ratio laid down by the hon'ble Apex Court in the case of **Union of India v. Rajeev Bansal [2024] 167 taxmann.com 70 (SC)** according to which the notice u/s. 148 of the Act could be issued within the 'Surviving Period', applying TOLA as per Para No. 108 to 114 of the judgment. If the notice is within surviving period, then it will be valid. If it is not within surviving period, it will be time barred.

4.1 It is submitted by the ld.AR that in all the assessment years under consideration, the AO was left with surviving period of only one day. Accordingly, the notices issued subsequently were apparently invalid and non est. He has furnished year wise chart alongwith factual



Paper Book, giving datewise chronology of notices and response of the assessee, in support of this contention which is reproduced as below:

Assessment Year: 2013-14

- Original Notice u/s. 148 issued on **29-6-2021**
- **Surviving Period-1 Day**i.e. 30-6-2021 minus 29-6-2021
- Fresh notice u/s 148A(b) 24-5-2022
- Assessee filed reply on 1-6-2022
- The clock starts ticking from 1-6-2022 .The AO could have issued 148 notice within surviving period from 1-6-2022 or from 7-6-2022 (due date to submit the response)
- **Notice u/s. 148 issued on 19-7-2022-Beyond Surviving Period - Time barred**

Assessment Year: 2014-15

- Original Notice u/s. 148 issued on **29-6-2021**
- **Surviving Period-1 Day**-i.e. 30-6-2021 minus 29-6-2021
- Fresh 148A(b)-Dt. 24-5-2022
- Assessee filed reply on 1-6-2022
- The clock starts ticking from 1-6-2022.The AO could have issued 148 Notice within surviving period from 1-6-2022 or from 7-6-2022 (due date to submit the response)
- **Notice u/s. 148 issued on 19-7-2022-Beyond Surviving Period - Time barred**

Assessment Year: 2015-16

- Original Notice u/s. 148 issued on **29-6-2021**
- **Surviving Period-1 Day**i.e. 30-6-2021 minus 29-6-2021



- Fresh 148A(b)-Dt. 24-5-2022
- Assessee filed reply on 1-6-2022
- The clock starts ticking from 1-6-2022. The AO could have issued 148 Notice within surviving period from 1-6-2022 or from 7-6-2022 (due date to submit the response)
- **Notice u/s. 148 issued on 19-7-2022-Beyond Surviving Period - Time barred**

4.2 In view of the above dates, it is submitted that all the notices u/s 148 of the Act in above stated assessment years are barred by time limitation. Accordingly, consequential assessment orders passed by the AO are ab initio void.

4.3 The ld.DR did not controvert the facts stated above.

5. We have carefully considered all the relevant facts of the case and find sufficient force in the contentions of the ld.AR. The issue in hand is no more *res integra* and has been consistently followed by courts of law including the ITAT Benches across the country. In this regard, we would like to refer and rely on the recent jurisdictional High Court in the case of **Ravi Kumar Kailashnath Jaiswal vs Assistant Commissioner Of Income Tax ... WP(L) No.36517 of 2025 dated 19 November, 2025(Bom)** wherein similar issue has been exhaustively dealt with quashing the notices u/s 148 of the Act by following the ratio of the judgment of hon'ble Apex Court in Rajeev



Bansal(supra).Relevant parts of the order are extracted as under for the sake of brevity:

“2. The present petition has been filed primarily challenging the assessment order dated 17.10.2025 passed under Section 147 of the Act for the A.Y.2014-15, and the consequential notice of demand and the penalty show cause notice. The Petitioner, without prejudice to the above challenge, also challenges, inter alia, the notice under Section 148 dated 25.07.2022 issued by Respondent No.1 seeking to reopen the Petitioner’s assessment for the A.Y.2014-15 and the order disposing of the objections passed under Section 148A(d) of the Act by the Respondent No.1 dated 25.07.2022.

3. The Petitioner had filed his original Return of Income on 23.02.2016 declaring a total income of Rs. 3,38,520/-.

4. Subsequently, the assessment of the Petitioner for the year under consideration i.e., A.Y.2014-15 was reopened vide notice dated 30.06.2021 issued under Section 148 of the Act. The said notice was undisputedly issued under the old regime i.e., under the law which was repealed by [Finance Act, 2021](#).

5. In [UOI V/S Ashish Agarwal \[\(2022\) 444 ITR 1 \(SC\)\]](#), the Hon’ble Supreme Court held that notices of the present nature were deemed to be a notice under [Section 148A\(b\)](#) of the Act. This was by invoking [Article 142](#) of the Constitution of India. Further, the Hon’ble Supreme Court in [the said decision](#) issued certain directions to be followed by the Assessing Officer by modifying the orders various High Courts. The relevant portion of the decision of the Hon’ble Supreme Court is reproduced hereunder:

"8. ... Therefore, we propose to modify the judgments and orders passed by the respective High Courts as under:-

(i) The respective impugned [Section 148](#) notices issued to the respective assessee shall be deemed to have been issued under [Section 148A](#) of the IT Act as substituted by the [Finance Act, 2021](#) and treated to be show-cause notices in terms of [Section 148A\(b\)](#). The respective assessing officers shall within thirty days from today provide to the assessee the information and material relied upon by the Revenue so that the assessee can reply to the notices within two weeks thereafter;

(ii) The requirement of conducting any enquiry with the prior approval of the specified authority under [Section 148A\(a\)](#) be dispensed with as a one-time measure vis-à-vis those notices which have been issued under [Section 148](#) of the unamended Act from 1-4-2021 till date, including those which have been quashed by the High Courts;



(iii) The assessing officers shall thereafter pass an order in terms of Section 148A(d) after following the due procedure as required under Section 148A(b) in respect of each of the concerned assessee;

(iv) All the defences which may be available to the assessee under Section 149 and/or which may be available under the Finance Act, 2021 and in law and whatever rights are available to the Assessing Officer under the Finance Act, 2021 are kept open and/or shall continue to be available and;

(v) The present order shall substitute/modify respective judgments and orders passed by the respective High Courts quashing the similar notices issued under unamended Section 148 of the IT Act irrespective of whether they have been assailed before this Court or not."(emphasis supplied)

6. Thereafter, on 25.05.2022, Respondent No.1 issued a show cause notice in pursuance of the order of the Hon'ble Supreme Court providing material to the Petitioner. Further, vide letter dated 02.06.2022, Respondent No.1 provided additional information.

7. Though the above notices were received by the Petitioner, it is the Petitioner's case that since he was travelling during such time, he could not file any reply.

8. On 25.07.2022, Respondent No.1 passed an order under Section 148A(d) of the Act. In absence of any reply of the Petitioner, Respondent No.1 stated that it is a fit case to issue notice under Section 148 of the Act. Simultaneously, a notice under Section 148 of the Act has been issued dated 25.07.2022, requiring the Petitioner to file his Return of Income within 30 days from the date of the said notice.

9. Being aggrieved by this action, the Petitioner filed a Writ Petition, inter alia, challenging the said notice under Section 148 and the order under Section 148A(d) of the Act which was lodged as WP(L)No.2907 of 2023. This Writ Petition was disposed of vide order dated 03.04.2024 and notice under Section 148 of the Act and the order under Section 148A(d) of the Act were quashed on the ground of limitation following the decision of this Court in the case of **Godrej Industries Ltd V/S The Assistant Commissioner of Income Tax, Circle 14(1)(2), Mumbai and Ors.** [Writ Petition No.450 of 2023 decided on 28.02.2024]

10. It appears that the order dated 03.04.2024 in case of the Petitioner was not challenged before the Hon'ble Supreme Court.

11. In the meantime, the Hon'ble Supreme Court dealt with the issue of limitation in respect of matters arising out of **Taxation and Other Laws Act, 2020** in the case of **UOI V/S Rajeev Bansal reported in [(2024) 469 ITR 46 (SC)]**. Detailed findings were given by the Hon'ble Supreme Court in the said judgment, which are dealt with later on.



12. On 08.10.2025, a notice under [Section 142\(1\)](#) of the Act was issued by Respondent No.1 seeking details from the Petitioner. In the said notice, reference is made to the decision in case of [Rajeev Bansal](#) (supra).

13. In response thereto, the Petitioner filed a reply dated 17.10.2025. In the said reply, after bringing out the fact that the notice under [Section 148](#) was quashed and set aside, it was submitted that the Petitioner is not aware of any Special Leave Petition being filed or any order being passed by the Hon'ble Supreme Court in the case of the Petitioner. **Without prejudice to the above, it was submitted that even if the said decision of Rajeev Bansal (supra) is applied, then also, the original notice under Section 148 issued on 30.06.2021 was time barred after computing the "surviving period".** It was, accordingly, requested that the notice under [Section 142\(1\)](#) ought to be dropped.

14. Despite all this, on the same day i.e., on 17.10.2025, the impugned assessment order was passed. In the said order, it has been stated that in view of the decision of the Hon'ble Supreme Court in the case of [Rajiv Bansal](#) (supra), the case of the Petitioner is fit to revive. In the impugned assessment order, a sum of Rs.65,00,000/- has been added to total income. Further, a demand of Rs.47,92,375/- has been determined to be payable by the Petitioner and a notice of demand has also been issued. Over and above this, penalty proceedings are also initiated under [Section 271\(1\)\(c\)](#) of the Act. All these have been challenged in the present petition.

15. In this factual backdrop, Mr. Gandhi, the learned counsel for the Petitioner, submitted as under:-

a) The assessment order dated 17.10.2025 is bad in law as the same is pursuant to the notice under [Section 148](#) of the Act dated 28.07.2022 which has been quashed and set aside by this Court in WP(L) No.2907 of 2023 vide order dated 03.04.2023. Further, such order of this Court has not been reversed or set aside. The same therefore, has attained finality. This aspect has not been disputed by Respondent No.1. In such a scenario, no reassessment order could have been passed by Respondent No.1.

b) In any event, the notice under [Section 148](#) of the Act dated 28.07.2025 is issued beyond the "surviving period" as per the decision in case of [Rajeev Bansal](#) (supra) and therefore, the same is barred by limitation. The finding that the order under [Section 148A\(d\)](#) of the Act was to be passed within one month from the end of the month of filing of the reply by the Petitioner is directly in the teeth of the findings in the case of [Rajeev Bansal](#) (supra).

c) Moreover, the decision in the case of [Rajeev Bansal](#) (supra) required Respondent No.1 to first pass an order disposing of the objections and all rights and contentions of the parties, save as otherwise decided in [the said decision](#), were kept open. Respondent No.1 did not pass any such order and directly proceeded with the reassessment proceedings and passed the



impugned order. Since, the order of the Hon'ble Supreme Court was not followed, therefore, the impugned order is bad in law.

16. Per Contra, Ms.Omle, the learned Counsel of the Respondent, submitted that the judgment in case of Rajeev Bansal is applicable to all cases across India. She relied upon the findings in para 115 of [the said decision](#) in this regard. Further, she submitted that since, the Petitioner did not file any reply to the notice under [Section 148A\(b\)](#) of the Act, therefore, the notice under [Section 148](#) of the Act cannot be treated as beyond limitation. This is because as per [Section 148A\(d\)](#) of the Act, the order had to be passed within one month from the end of the month in which reply was to be filed. She, therefore, submitted that the assessment order is valid on all counts and requires no interference.

21. Even otherwise, we agree with the contention of Mr Gandhi, that in any event, the notice under [Section 148](#) of the Act dated 25.07.2022 is issued beyond the "surviving period" as laid down in the case of [Rajeev Bansal \(supra\)](#) and therefore, barred by limitation. The Hon'ble Supreme Court in the case of [Rajeev Bansal \(supra\)](#) has dealt with the limitation issue, the relevant findings of which are reproduced hereunder:-

*"108. [The Income-tax Act](#) read with TOLA extended the time limit for issuing reassessment notices under [Section 148](#), which fell for completion from 20 March 2020 to 31 March 2021, till 30 June 2021. All the reassessment notices under challenge in the present appeals were issued from 1 April 2021 to 30 June 2021 under the old regime. [Ashish Agarwal \(supra\)](#) deemed these reassessment notices under the old regime as show cause notices under the new regime with effect from the date of issuance of the reassessment notices. The effect of creating the legal fiction is that this Court has to imagine as real all the consequences and incidents that will inevitably flow from the fiction. *East End Dwellings Co. Ltd. v. Finsbury Borough Council [1952] AC 109.* [Lord Asquith, in his concurring opinion, observed:*

"If you are bidden to treat an imaginary state of affairs as real, you must surely, unless prohibited from doing so, also imagine as real the consequences and incidents which, if the putative state of affairs had in fact existed, must inevitably have flowed from or accompanied it."] Therefore, the logical effect of the creation of the legal fiction by [Ashish Agarwal \(supra\)](#) is that the time surviving under the Income- tax Act read with TOLA will be available to the Revenue to complete the remaining proceedings in furtherance of the deemed notices, including issuance of reassessment notices under [Section 148](#) of the new regime. The surviving or balance time limit can be calculated by computing the number of days between the date of issuance of the deemed notice and 30 June 2021.

109. If this Court had not created the legal fiction and the original reassessment notices were validly issued according to the provisions of the new regime, the notices under [Section 148](#) of the new regime would have to be issued within the time limits extended by TOLA. As a corollary, the



reassessment notices to be issued in pursuance of the deemed notices must also be within the time limit surviving under the *Income-tax Act* read with TOLA. This construction gives full effect to the legal fiction created in *Ashish Agarwal* (supra) and enables both the assesses and the Revenue to obtain the benefit of all consequences flowing from the fiction. See *State of A P v. A P Pensioners Association* [2005] 13 SCC 161. [This Court observed that the "legal fiction undoubtedly is to be construed in such a manner so as to enable a person, for whose benefit such legal fiction has been created, to obtain all consequences flowing therefrom."]

110. The effect of the creation of the legal fiction in *Ashish Agarwal* (supra) was that it stopped the clock of limitation with effect from the date of issuance of *Section 148* notices under the old regime [which is also the date of issuance of the deemed notices]. As discussed in the preceding segments of this judgment, the period from the date of the issuance of the deemed notices till the supply of relevant information and material by the assessing officers to the assesses in terms of the directions issued by this Court in *Ashish Agarwal* (supra) has to be excluded from the computation of the period of limitation. Moreover, the period of two weeks granted to the assesses to reply to the show cause notices must also be excluded in terms of the third proviso to *Section 149*.

111. The clock started ticking for the Revenue only after it received the response of the assesses to the show cause notices. After the receipt of the reply, the assessing officer had to perform the following responsibilities: (i) consider the reply of the assessee under *Section 149A(c)*; (ii) take a decision under *Section 149A(d)* based on the available material and the reply of the assessee; and (iii) issue a notice under *Section 148* if it was a fit case for reassessment. Once the clock started ticking, the assessing officer was required to complete these procedures within the surviving time limit. The surviving time limit, as prescribed under the *Income-tax Act* read with TOLA, was available to the assessing officers to issue the reassessment notices under *Section 148* of the new regime.

112. Let us take the instance of a notice issued on 1 May 2021 under the old regime for a relevant assessment year. Because of the legal fiction, the deemed show cause notices will also come into effect from 1 May 2021. After accounting for all the exclusions, the assessing officer will have sixty-one days [days between 1 May 2021 and 30 June 2021] to issue a notice under *Section 148* of the new regime. This time starts ticking for the assessing officer after receiving the response of the assessee. In this instance, if the assessee submits the response on 18 June 2022, the assessing officer will have sixty-one days from 18 June 2022 to issue a reassessment notice under *Section 148* of the new regime. Thus, in this illustration, the time limit for issuance of a notice under *Section 148* of the new regime will end on 18 August 2022.

113. In *Ashish Agarwal* (supra), this Court allowed the assesses to avail all the defences, including the defence of expiry of the time limit specified under *Section 149(1)*. In the instant appeals, the reassessment notices pertain to the assessment years 2013-2014, 2014-2015, 2015-2016, 2016-2017, and 2017-2018. To assume jurisdiction to issue notices under *Section 148* with



respect to the relevant assessment years, an assessing officer has to: (i) issue the notices within the period prescribed under [Section 149\(1\)](#) of the new regime read with TOLA; and (ii) obtain the previous approval of the authority specified under [Section 151](#). A notice issued without complying with the preconditions is invalid as it affects the jurisdiction of the assessing officer. Therefore, the reassessment notices issued under [Section 148](#) of the new regime, which are in pursuance of the deemed notices, ought to be issued within the time limit surviving under the [Income-tax Act](#) read with TOLA. A reassessment notice issued beyond the surviving time limit will be time-barred.

114. In view of the above discussion, we conclude that:

deemed to be stayed is from the date of issuance of the deemed notice between 1 April 2021 and 30 June 2021 till the supply of relevant information and material by the assessing officers to the assesses in terms of the directions issued by this Court in [Ashish Agarwal](#) (supra), and the period of two weeks allowed to the assesses to respond to the show cause notices; and h. The assessing officers were required to issue the reassessment notice under [Section 148](#) of the new regime within the time limit surviving under the [Income-tax Act](#) read with TOLA. All notices issued beyond the surviving period are time barred and liable to be set aside;"

22. In the decision in [Rajeev Bansal](#) (supra), the Hon'ble Supreme Court categorically held that the 148 Notices were to be issued within the surviving period. The Hon'ble Supreme Court accepted the contention that had found favour with this Court in [Godrej Industries](#) (supra) that to test the validity of the notice under [Section 148](#) issued after 1st April 2021, the law in force on that date would have to be applied. The Supreme Court also held that applying this principle to test whether a notice under [Section 148](#) is issued within the period of limitation one would have to give effect to the terms of the first proviso to [Section 149\(1\)\(b\)](#). The first proviso to [Section 149\(1\)\(b\)](#) enacts that a notice issued after 1st April 2021 has to be issued within such time as was permissible under the unamended [Section 149\(1\)\(b\)](#). Thus, for Assessment Year 2014-15, the notice under [Section 148](#) under the unamended provisions, could have been issued in terms of [Section 149\(1\)\(b\)](#) by 31st March 2021. The Supreme Court thereafter held that in order to construe whether the notice was issued within the period of limitation, one would have to give effect to the provisions of TOLA as well as the judgment of the Hon'ble Supreme Court in [Ashish Agarwal](#) and the requirements of the provisos to [Section 149](#). The Supreme Court held that during the period from the date of issuance of the deemed notice under [Section 148A\(b\)](#) and the date of the judgment in [Ashish Agarwal](#) (supra) [i.e. from 29th June 2021 to 4th May 2022] the Assessing Officers were deemed to have been prohibited from passing a reassessment order, and thus, the show cause notices were deemed to have been stayed by an order of the Supreme Court from the date of the issuance of the notice till 4th May 2022. The Supreme Court further extended this limitation and stated that the show cause notices were deemed to have been stayed not only upto 4th May 2022 but till the date when the Assessing Officer



provided the relevant information and material to the Assessee in terms of the directions issued in [Ashish Agarwal](#) (supra). The Supreme Court noted that the provisos to [Section 149](#) allows the exclusion of time allowed to an Assessee to respond to the show cause notice under [Section 148A\(b\)](#) to compute the period of limitation. The Hon'ble Supreme Court therefore summarized that the total time that is excluded for computation of the period of limitation within which the notice is to be issued as encompassing the time during which the show cause notices were effectively stayed, that is, from the date of the original notice issued under [Section 148](#) till the supply of the relevant information or material by the Assessing Officers to the Assessee in terms of the directions in [Ashish Agarwal](#). A further period of two weeks to allow the Assessee to respond to the show cause notice was also excluded for the purposes of limitation. The effect of this conclusion of the Supreme Court was that the time surviving under the Act read with TOLA that will be available to the revenue to issue the reassessment notice under [Section 148](#) of the new regime will have to be calculated by computing the number of days between the date of issuance of the deemed notice, till 30th June 2021, and accordingly the reassessment notices would have to be issued within the time limit surviving. To understand how the law [laid down](#) by the Hon'ble Supreme Court in [Rajeev Bansal](#) would apply to the present case, it would be apposite to set out in the following table the notices etc issued in the present case.

1. 30-06-2021 Notice under the erstwhile [Section 148](#) [deemed to be a notice under new [Section 148A\(b\)](#)]
2. 04-05-2022 Judgment of the Hon'ble Supreme Court in [Ashish Agarwal](#)
3. 25-05-2022 Notice conveying reasons for reopening provided to the Petitioner pursuant to the judgment in [Ashish Agarwal](#) and providing a period of two weeks to the Petitioner to respond
4. No reply filed by the Petitioner
5. 08-06-2022 Two weeks' time granted elapsed.
6. 25-07-2022 Order passed under [section 148A\(d\)](#)
7. 25-07-2022 Notice issued under [section 148](#)
8. 08-10-2025 Notice under [section 142\(1\)](#)
9. 17-10-2025 Reply filed by the Petitioner
10. 17-10-2025 Impugned assessment order passed
23. From the table set out above and applying the law [laid down](#) by the **Hon'ble Supreme Court in [Rajeev Bansal](#) the remaining days for**



conclusion of the procedure for passing of an order in terms of Section 148A(d) and issuance of notice under Section 148 of the Act would be one day. In the present case the period of one day would expire on 9th June 2022. However the notice issued under Section 148 is dated 25th July 2022 and is therefore time barred, in as much as it is issued after the surviving period.

24. The view that we have taken is not only supported by a decision of this Court in the case of [Hitesh Ramniklal Shah V/S Assistant Commissioner of Income Tax & Ors. \[Writ Petition No.4164 of 2025 decided on 11th November 2025\]](#) and [Gurpreet Singh V/S DCIT \[176 taxmann.com 673 \(Bom\)\]](#), but also that of the Delhi High Court in [Ram Balram Buildhome \(P.\) Ltd V/S ITO \[477 ITR 133 \(Del\)\]](#), the Gujarat High Court in [Dhanraj Govindram Kella V/S ITO \[177 taxmann.com 194 \(Guj\)\]](#), and the Madras High Court in [Mrs. Thulasidass Prabavathi V/S ITO \[174 taxmann.com 508 \(Mad\)\]](#). In fact, the judgments in the case of [Gurpreet Singh \(supra\)](#), [Ram Balram Buildhome \(P.\) Ltd \(supra\)](#), [Dhanraj Govindram Kella \(supra\)](#) and [Mrs.Thulasidass Prabhavathi \(supra\)](#) have been extensively dealt with by this Court in its judgment passed in [Hitesh Ramniklal Shah \(supra\)](#). It is for this reason that we are not burdening this judgment by once again reproducing the aforesaid decisions. Suffice it to state that we concur with the judgment of the co-ordinate Bench of this Court in [Hitesh Ramniklal Shah \(supra\)](#) as well as [Gurpreet Singh \(supra\)](#) and also with the decisions of the Delhi High Court in [Ram Balram Buildhome \(P.\) Ltd \(supra\)](#), Gujarat High Court in [Dhanraj Govindram Kella \(supra\)](#) and the Madras High Court in [Mrs.Thulasidass Prabhavathi \(supra\)](#).

25. Before closing this matter, it would only be fair to deal with the contention of the Revenue that since no reply is filed to the notice dated 25th May 2022 issued by the Revenue, the concept of the "surviving period" does not apply as set out in [Rajeev Bansal \(supra\)](#). We find that this argument cannot be accepted for the simple reason that there is no such finding in the decision in the case of [Rajeev Bansal \(supra\)](#). In [Rajeev Bansal](#), the Hon'ble Supreme Court has categorically held that the period from the date of the deemed notice under [Section 148A\(b\)](#) to a period of 4 weeks to provide material to the Assessee as directed in [Ashish Agarwal](#), and a further period of 2 weeks to be provided to the Assessee to reply to the said material, were to be excluded. It is therefore difficult to accept that if no reply was filed by the Assessee, then there would be no time limit applicable at all. This is not what has been [laid down by the Hon'ble Supreme Court in the case of Rajeev Bansal](#). Where no reply is filed to answer the material and/or information supplied by the Assessing Officer, then as per the decision of the Hon'ble Supreme Court in [Rajeev Bansal](#) the surviving period would start running from the last day to file the said reply, namely, from 8th June 2022. We, therefore, find this argument canvassed on behalf of the Revenue to be without merit.

26. In view of the foregoing discussion, the above Writ Petition is allowed.”



6. As the facts of the case are identical in all the impugned years, we hold that the notices issued u/s 148 of the Act and the consequential assessment orders are null and void, thus allowing the legal grounds of appeal.

7. Since the assessment orders are quashed on legal ground, we do not find any reason to adjudicate the grounds involving merits of the case which are accordingly, left open.

8. In the result, all the above appeals in **ITA Nos. 7298/7299 and 7300/Mum/2025 of the assessee stand allowed.**

Order pronounced in the open court on **11/02/2026.**

Sd/-

NARENDRA KUMAR CHOUDHRY

(न्यायिक सदस्य / JUDICIAL MEMBER)

Sd/-

PRABHASH SHANKAR

(लेखाकार सदस्य/ACCOUNTANT MEMBER)

Place: मुंबई/Mumbai

दिनांक /Date 11.02.2026

Lubhna Shaikh / Steno

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

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. आयकर आयुक्त / CIT
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण DR, ITAT, Mumbai
5. गार्ड फाईल / Guard file.



ITA No. 7298, 7299& 7300/Mum/2025
A.Y. 2013-14, 2014-15 & 2015-16
Impressive Trading Pvt Ltd., Mumbai

सत्यापित प्रति //True Copy//
आदेशानुसार/ BY ORDER,

उप/सहायक पंजीकार (Dy./Asstt. Registrar)
आयकर अपीलीय अधिकरण/ ITAT, Bench,
Mumbai.

