

IN THE INCOME TAX APPELLATE TRIBUNAL  
AHMEDABAD "A" BENCH

**Before: Shri T.R. Senthil Kumar, Judicial Member And  
Shri Narendra Prasad Sinha, Accountant Member**

**ITA No: 2232/Ahd/2025  
Assessment Year: 2017-18**

The DCIT Circle-4(1)(1), Ahmedabad  <b>(Appellant)</b>	Vs	Shree Nakoda Texfab Private Limited 77, Maliya New Cloth Market, O/s Raipur Gate, Sarangpur, Ahmedabad Gujarat-380002 <b>PAN: AANCS3442C</b> <b>(Respondent)</b>
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**Revenue Represented: Shri Prateek Sharma, Sr. D.R.**  
**Assessee Represented: Shri S.N. Divatia, A.R.**

Date of hearing : 02-03-2026  
Date of pronouncement : 09-03-2026

**आदेश/ORDER**

**PER: T.R. SENTHIL KUMAR, JUDICIAL MEMBER**

This appeal is filed by the Revenue as against the appellate order dated 02-09-2025 passed by the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi, (in short referred to as "CIT(A)"), arising out of the assessment order passed under section 143(3) r.w.s. 147 of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') relating to the Assessment Year 2017-18.

2. Brief facts of the case is that the assessee is a Private Limited Company filed its Return of Income for the Asst. Year 2017-18 on 31-

10-2017 declaring total income of Rs.69,32,730/-. The assessment was reopened on the ground that the assessee availed accommodation entry to the tune of Rs.57,73,400/- from various entities controlled and operated by Shri Sanjay Tibrewal . The reassessment was completed by making addition of Rs.57,53,400/- towards cash credit u/s. 68 of the Act.

3. Aggrieved against the same, assessee filed an appeal before Ld. CIT(A) who deleted the addition by holding that the assessee company has not taken any accommodation entries from Shri Sanjay Tibrewal Group, it must be their buyers who have taken these accommodation entries and make cheque payments against goods to the assessee company, about which assessee has no knowledge and no responsibility. Therefore the additions made in the hands of the assessee company is directed to be deleted.

4. Aggrieved against the appellate order, the Revenue is in appeal before us raising the following Grounds of Appeal:

*(a) The Ld. CIT(A) has erred in deleting the addition of 257,53,400/- made by the Assessing Officer under section 68 of the Income-tax Act, 1961, without properly appreciating the facts of the case and the evidences gathered during investigation and assessment proceedings.*

*(b) The Ld. CIT(A) has failed to appreciate that the findings of the Assessing Officer were based on credible information and corroborated evidences collected during investigation, which conclusively established the assessee's involvement in the accommodation entry network.*

*(c) The appellant craves leave to add, alter and or to amend all or any of ground before the final hearing of appeal.*

5. While the assessee invoking Rule 27 of the Income Tax Appellate Tribunal Rules raised the following Grounds of appeal:

*1.1 The proceedings initiated u/s 147 by AO were illegal, unlawful and without jurisdiction in as much as the condition precedent are not satisfied.*

*1.2 That in the facts and circumstances of the case, as well as in law, the proceedings initiated u/s 147 by AO were illegal, unlawful and without jurisdiction in view of the notice u/s 148 barred by limitation of time as per decision in case of UOI v Rajeev Bansal (469 ITR 46) (SC) condition laid down under the proviso to section 148 was not fulfilled.*

6. We have heard rival submissions at length and perused the materials available on record including Rule 27 Application filed by the assessee challenging the validity of issuance of 148 notice during the extended time period as per Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance 2020 (hereinafter referred as TOLA). In view of the Apex Court judgment in the case of Union of India Vs. Ashish Agrawal reported in (2022) 444 ITR 1 (SC) wherein the notice issued was to be treated as notice u/s. 148A(b) of the Act which has come into the statute with effect from 01-04-2021.

6.1. The Hon'ble Supreme Court in the later judgment in the case of Union of India Vs. Rajeev Bansal reported in (2024) 469 ITR 46 laid down the law to consider such notice as valid notice or invalid notice depending upon the surviving time left date of issuance of the notice u/s. 148 of the Act r.w.s. 3(1) of TOLA up to 30-06-2021 and the issuance of notice u/s.148 pursuant to the direction issued by the Apex Court in the case of Ashish Agarwal.

6.1. The above Supreme Court Judgments were considered by the Jurisdictional High Court in the case of Dhanraj Govindram Kella Vs.

ITO vide judgment dated 08-07-2025 in Civil Application No. 6387 of 2023 and held as follows:

"... 65. The alternative contention of the petitioner as to whether notices would be valid notice or invalid notice considering 'surviving time' between the date of the issuance of notices under TOLA and 30th June, 2021 or not is required to be considered and for that each matter has to be considered separately on the basis of the facts of case considering the date of issuance of notices under section 148 under TOLA by the Revenue and thereafter date of supplying information to the assessee and date of passing of order under section 148A(d) and date of issuance of notice under section 148 of the Act so as to consider whether issuance notice under section 148 of the Act is within 'surviving time' as per the direction of Hon'ble Apex Court in case of Rajeev Bansal (supra) or not.

66. So far as Assessment 2013-2014 and 2014-2015 concerned, the period of three years from end of the assessment year would be prior to 20.03.2020 and the period of six years would be over between 20.03.2020 Therefore, and 30.06.2021. Therefore, the notices issued under section 148 of the Act under old regime between 01.04.2021 and 30.06.2021 as per TOLA, will be a valid notice if the notice under section 148 of the Act under new regime is issued within the period of 'surviving time' as per the directions issued by Hon'ble Apex Court in case of Rajeev Bansal (supra). For the Assessment Years 2016-2017 and 2017-2018 are concerned, the notice issued under section 148 of the Act under old regime between 01.04.2021 and 30.06.2021 under TOLA would be considered to be issued within three years from the end of the relevant assessment year as three years would complete within the period of 20.03.2020 and 30.06.2021.

67. Therefore, in facts of these petitions, following data is required to be considered to find out 'surviving time' to decide as to whether the impugned notices under section 148 of the Act issued under the new regime as per the decision of Hon'ble Apex Court in case of Ashish Agarwal (supra) would be valid notice or not in of view of the decision of the Hon'ble Apex Court in case Rajeev Bansal (supra):

SCA No.	Asst. Years	Date of notice under section 148 under TOLA	No of days of surviving time available till 30-06-2021	Date of providing information u/s. 148A(b)
6387/2023	2013-2014	17.06.2021	13	26.05.2022
5688/2023	2014-2015	09.06.2021	21	23.05.2022
22260/2022	2016-2017	30.06.2021	1	23.05.2022
996/2023	2017-2018	30.06.2021	1	24.05.2022

SCA NO.	Due date of filing reply	Date of reply:-	Date of order under section 148A(d) and notice under section 148:-	Last date for issuance of notice under section 148 as per surviving time:
6387/2023	09.06.2022	04.06,2022	29.07.2022	22.06.2022
5688/2023	06.06.2022	-	27.07,2022	27.06.2022
22260/2022	07.06.2022	06.07.2022	30.07.2022	14.06.2022
996/2023	11.06.2022	10.06.2022	19.07.2022	18.06.2022

68. It is apparent from the above details that impugned notice under section 148 of the Act is issued beyond the period of 'surviving time' as per the direction of Hon'ble Apex Court in case Rajeev of Bansal (supra) and therefore, such notices would be invalid notices.

69. The impugned notices issued under section 148 of the Act are accordingly quashed and set aside being invalid having been issued beyond the 'surviving time'. Accordingly, impugned orders passed under section 148A(d) of the Act would also not survive and are accordingly, quashed and set aside. Subsequent proceedings, if any, undertaken by the respondent would not survive and are also quashed and set aside.

70. Rule is made absolute to the aforesaid extent. No order as to costs."

6.2. This judgment is followed by Jurisdictional High Court in the case of Rakesh Rameshchandra Patel Vs. ITO vide judgment dated 09-09-2025 in Civil Application No. 1591 of 2023 held as follows:

".... 7. In the facts of the case, the respondent Assessing Officer has provided information pursuant to the directions issued by the Hon'ble Apex Court in case of Ashish Agarwal (supra) on 01.06.2022 and therefore, considering 15 days' time to file reply by the assessee, the due date would be 15.06.2022. The petitioner filed reply on 20.06.2022. The order under section 148A(d) of the Act as well as notice under section 148 of the Act was issued on 30.08.2022. However, considering the period of limitation from the date of issuance of notice under section 148 read with TOLA upto 30.06.2021, the limitation for issuance of notice under section 148 of the Act applying the

decision of Hon'ble Apex Court in case of Ashish Agarwal (supra) as well as Rajeev Bansal (supra), would be 28.08.2022.

8. Learned Senior Standing Counsel Ms. Maithili D. Mehta has verified the above dates and could not controvert the same.

9. In view of above, the impugned notice dated 30.08.2022 issued under section 148 of the Act would be invalid notice as the said notice is issued after 28.08.2022 as per the decision of Hon'ble Apex Court in case of Ashish Agarwal (supra). Therefore, the impugned notice having been issued beyond the 'surviving time' would be invalid notice as held by the Hon'ble Apex Court in case of Rajeev Bansal (supra) in the following paragraph no. 114 (g) and (h) of the judgment:

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

XXX

(g) The time during which the show-cause notices were deemed to be stayed is from the date of issuance of the deemed notice between April 1, 2021 and June 30, 2021 till the supply of relevant information and material by the Assessing Officers to the assessee in terms of the directions issued by this court in Union of India v. Ashish Agarwal [(2022) 444 ITR 1 (SC); (2023) 1 SCC 617.], and the period of two weeks allowed to the assessee 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 the Taxation and other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020. All notices issued beyond the surviving period are time barred and liable to be set aside."

10. In view of foregoing reasons, impugned notice dated 30.08.2022 is hereby quashed and set aside and all consequential proceedings are also quashed and set aside."

6.3. Following the above judicial precedents, for adjudication of the legal ground raised by the assessee the following dates and events are more relevant.

Sr. No.	particulars of notices/Reply	Date
1	Period of limitation 3/6 years ending on	31.03.2024
2	Notice period between 20.03.2020 to 30.06.2020 extended by TOLA	30.06.2021
3	Notice issued u/s 148 of old regime[deem 148A(b)]	29.06.2021
4	Time left upto 30.06.2021 [para-113 of SC]	1 + 7 days
5	Date of order of Ashish Agrawal	04.05.2022
6	Fresh notice u/s 148(b) post Ashish Agrawal	26.05.2022
7	Two weeks' Time allowed/extended for reply	13.06.2022
8	Reply submitted by Assessee	13.06.2022
9	Last date considering time available as per TOLA (as per no.3) (para-77 of SC)	21.06.2022
10	Date of order passed u/s 148A(d)/ notice u/s 148	29.07.2022
11	Whether within surviving period?	no

7. The Ld. A.R. pointing out the details of dates and events submitted above, contended that the notice u/s.148 of the Act was issued beyond the limitation period/extended period, therefore such notice would be invalid in law and the assumption of jurisdiction to reassess the assessment fails. Therefore the entire reassessment proceedings is void ab-initio and deserves to be quashed.

8. The Ld. Sr. D.R. appearing for the Revenue fairly conceded that the 148 notice was issued beyond the period of limitation.

9. We have heard rival parties and perused the materials available on record. It is undisputed fact that the original notice under section 148 of the Act under the old regime was issued on 29-06-2021. The last date for issuing notice as per proviso to Section 149 is 21-06-2022, whereas the notice u/s. 148 was issued on 29-07-2022 which is after the expiry of the limitation prescribed u/s. 149 of the Act. Thus, the reopening notice itself is time barred, consequently the entire

reassessment proceedings is invalid in law and is without jurisdiction. Therefore, the entire reassessment is liable to be quashed. Accordingly, we allow the Ground raised in Rule 27 of the application filed by the assessee on jurisdiction ground and quash the reassessment order passed by the A.O.

10. Since the main reassessment order itself is quashed, the department appeal in ITA No. 2232/Ahd/2025 is hereby dismissed.

11. In the result, **the appeal filed by the Revenue is hereby dismissed.**

Order pronounced in the open court on 09-03-2026

**Sd/-**  
**(NARENDRA PRASAD SINHA)**  
**ACCOUNTANT MEMBER**

**Sd/-**  
**(T.R. SENTHIL KUMAR)**  
**JUDICIAL MEMBER**

**Ahmedabad :**

**Dated 09/03/2026**

*True Copy*

आदेश की प्रतिलिपि अग्रेषित / Copy of Order Forwarded to:-

1. Assessee
2. Revenue
3. Concerned CIT
4. CIT (A)
5. DR, ITAT, Ahmedabad
6. Guard file.

By order/आदेश से,

उप/सहायक पंजीकार  
आयकर अपीलीय अधिकरण,  
अहमदाबाद