

आयकर अपीलीय अधिकरण, 'सी' न्यायपीठ, चेन्नई।  
IN THE INCOME TAX APPELLATE TRIBUNAL  
'C' BENCH: CHENNAI

सुश्री पदमावती यस, लेखक सदस्य एवं श्री मनु कुमार गिरि, न्यायिक सदस्य के समक्ष  
BEFORE MS. PADMAVATHY.S, ACCOUNTANT MEMBER AND  
SHRI MANU KUMAR GIRI, JUDICIAL MEMBER

आयकर अपील सं./ITA No.3017/Chny/2025  
&  
S.A No.5/Chny/2026  
(Arises in ITA No.3017/Chny/2025)  
निर्धारण वर्ष /Assessment Year: 2015-16

Kaliyappan Arumugam,  
Old No.58A, New No.61,  
Kulanthaivelu Salai,  
Karur – 638 001.  
PAN: AIEPA 9862G

The Income Tax Officer,  
Vs. Ward-1,  
Karur.

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/ Appellant by  
प्रत्यर्थी की ओर से /Respondent by

: Mr. G.Vardini Karthik, Advocate  
: Ms. R. Anitha, Addl. CIT

सुनवाई की तारीख/Date of Hearing  
घोषणा की तारीख /Date of Pronouncement

: 26.02.2026  
: 04.03.2026

**आदेश / ORDER**

**PER PADMAVATHY.S, A.M:**

This appeal an stay application by the assessee are against the order of the Commissioner of Income Tax (Appeals)/National Faceless Appeal Centre (NFAC), Delhi, (in short "CIT(A)") passed u/s. 250 of the Income Tax Act, 1961 (in short "the Act") dated 20.08.2025 for Assessment Year (AY) 2015-16.

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2. The assessee is an individual and did not file the return of income for AY 2015-16. The Assessing Officer (AO) noticed that the assessee has entered into several financial transactions during the year under consideration and accordingly issued a notice u/s.148A(b) on 25.03.2022. Subsequently the AO passed order u/s.148(d) and also issued a notice u/s.148 dated 13.04.2022 reopening the assessment. The assessee in response to notice u/s.148 filed the return admitting a total income of Rs.15,64,210/- on 13.06.2023. After considering the submissions of the assessee with regard to various details called, the AO concluded the assessment assessing income at Rs.1,09,57,553/. On further appeal, the CIT(A) confirmed the addition/disallowances made by the A.O. The assessee is in appeal before the Tribunal against the order of the CIT(A).

3. The assessee raised through ground No.1 contending that the notice u/s.148 dated 13.04.2022 is barred by limitation. The Ld. Authorized Representative (AR) of the assessee submitted that if the legal contentions raised through ground No.1 with regard to the notice u/s.148 of the Act being barred by limitation is considered and adjudicated in favour of the assessee then the other grounds would become academic. Accordingly, we proceed with adjudicate the ground raised with regard to the notice u/s. 148 being barred by limitation.

4. The contention of the Ld. AR at the outset is that the notice u/s. 148 issued on 13.04.2022 for AY 2015-16 is beyond the time limit of six years and therefore, barred by limitation as per the first proviso to the un-amended provisions of section 149(1) as has been confirmed by the decision of the Hon'ble Supreme Court in the case of Rajeev Bansal [2024] (SCC online

754). The Ld. AR further submitted that the coordinate bench has been consistently holding that the notice u/s.148 issued beyond six years is not valid by placing reliance on the decision of the Hon'ble Supreme Court. Accordingly, it was argued that the issue is covered by the judicial precedence.

5. The Ld. DR, on the other hand, vehemently argued that the decision of Hon'ble Supreme Court is misquoted and that the decision did not qualify any notice on limitation only on procedure. The Ld. DR further argued that if the income escaping assessment is more than Rs.50 lakhs then the time limit as per the new regime of reassessment would apply.

6. We heard the parties and perused the material on record. We will first look at the following observations of the Hon'ble Supreme Court in the case of Rajeev Bansal (supra) with regard to validity of notices issued for AY 2015-16 issued under the old regime –

*19. Mr N Venkataraman, learned Additional Solicitor General of India, made the following submissions on behalf of the Revenue:*

*(a) to (e)\*\*\*\*\**

*(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;*

*\*\*\*\*\**

*46. The ingredients of the proviso could be broken down for analysis as follows:*

*(i) no notice under section 148 of the new regime can be issued at any time for an assessment year beginning on or before 1 April 2021;*

*(ii) if it is barred at the time when the notice is sought to be issued because of the "time limits specified under the provisions of" 149(1)(b) of the old regime.*

**Thus, a notice could be issued under section 148 of the new regime for assessment year 2021-2022 and before only if the time limit for**

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**issuance of such notice continued to exist under section 149(1)(b) of the old regime.**

49. The first proviso to Section 149(1)(b) requires the determination of whether the time limit prescribed under section 149(1)(b) of the old regime continues to exist for the assessment year 2021-2022 and before. **Resultantly, a notice under Section 148 of the new regime cannot be issued if the period of six years from the end of the relevant assessment year has expired at the time of issuance of the notice.** This also ensures that the new time limit of ten years prescribed under section 149(1)(b) of the new regime applies prospectively. For example, for the assessment year 2012-2013, the ten year period would have expired on 31 March 2023, while the six year period expired on 31 March 2019. Without the proviso to Section 149(1)(b) of the new regime, the Revenue could have had the power to reopen assessments for the year 2012-2013 if the escaped assessment amounted to Rupees fifty lakhs or more. The proviso limits the retrospective operation of Section 149(1)(b) to protect the interests of the assesses.”

7. The Hon'ble Supreme Court while dismissing the SLP filed by Revenue in the case of ACIT vs. Nehal Ashit Shah in SLP (Civil) Diary No(s). 57209/2024, dated 04.04.2025 held that impugned issued does not survive for further consideration. While holding so, Hon'ble Court noted in para 5 as under:

*"5. In this regard, reference could also be made to paragraph 19(e) and (f) in the case of Union of India vs. Rajeev Bansal, Civil Appeal No.8629 of 2024 on 03.10.2024 (2024 SCC ONLINE 754) under which the learned Additional Solicitor General for India has made a concession insofar as the assessment year 2015-16 is concerned."*

8. The above view was again reiterated by the Hon'ble Supreme Court in Deepak Steel and Power Ltd. vs. CBDT[2025] 476 ITR 369 (SC) by stating as under;

*"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".*

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9. Therefore in our considered view, the issue of validity of notice u/s.148 issued after 31.03.2022 is no longer res integra and accordingly unable to appreciate the arguments of the Id DR. Section 149(1) of the Act contain the provisions with regard to the time limit for issue of notice under section 148 of the Act and the relevant provisions applicable for the year under consideration read as under –

**149 - Time limit for notice.**

(1) No notice under [section 148](#) shall be issued for the relevant assessment year,—

(a) if three years have elapsed from the end of the relevant assessment year, unless the case falls under clause (b);

(b) if three years, but not more than ten years, have elapsed from the end of the relevant assessment year unless the Assessing Officer has in his possession books of account or other documents or evidence which reveal that the income chargeable to tax, represented in the form of—

(i) an asset;

(ii) expenditure in respect of a transaction or in relation to an event or occasion; or

(iii) an entry or entries in the books of account,

which has escaped assessment amounts to or is likely to amount to fifty lakh rupees or more:

**Provided that no notice under [section 148](#) shall be issued at any time in a case for the relevant assessment year beginning on or before 1st day of April, 2021, if a notice under [section 148](#) or [section 153A](#) or [section 153C](#) could not have been issued at that time on account of being beyond the time limit specified under the provisions of clause (b) of sub-section (1) of this section or [section 153A](#) or [section 153C](#), as the case may be], as they stood immediately before the commencement of the Finance Act, 2021**

**Provided further** that the provisions of this sub-section shall not apply in a case, where a notice under [section 153A](#), or [section 153C](#) read with [section 153A](#), is required to be issued in relation to a search initiated under [section 132](#) or books of account, other documents or any assets requisitioned under [section 132A](#), on or before the 31st day of March, 2021:

**Provided also** that for the purposes of computing the period of limitation as per this section, the time or extended time allowed to the assessee, as per show-cause notice issued under clause (b) of [section 148A](#) or the period

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during which the proceeding under [section 148A](#) is stayed by an order or injunction of any court, shall be excluded:

**Provided also** that where immediately after the exclusion of the period referred to in the immediately preceding proviso, the period of limitation available to the Assessing Officer for passing an order under clause (d) of [section 148A](#) is less than seven days, such remaining period shall be extended to seven days and the period of limitation under this sub-section shall be deemed to be extended accordingly.

*Explanation.*—For the purposes of clause (b) of this sub-section, "asset" shall include immovable property, being land or building or both, shares and securities, loans and advances, deposits in bank account.

(2) The provisions of sub-section (1) as to the issue of notice shall be subject to the provisions of [section 151](#)

10. The time limits for issue of notice under section 148 of the Act were amended as above w.e.f. 01.04.2021. Prior to the amendment the relevant provisions of section 149(1) of the Act read as under –

**149 - Time limit for notice.**

(1) No notice under [section 148](#) shall be issued for the relevant assessment year,—

- (a) if four years have elapsed from the end of the relevant assessment year, unless the case falls under clause (b) or clause (c);
- (b) if four years, but not more than six years, have elapsed from the end of the relevant assessment year unless the income chargeable to tax which has escaped assessment amounts to or is likely to amount to one lakh rupees or more for that year;
- (c) \*\*\*\*

*Explanation.*—In determining income chargeable to tax which has escaped assessment for the purposes of this sub-section, the provisions of Explanation 2 of [section 147](#) shall apply as they apply for the purposes of that section.

(2) & (3) \*\*\*\*

11. From the combined perusal of the provisions of section 149 post amendment, it is clear that the time limit for issue of notice under section 148 of the Act was revised with effect from 01.04.2021 and the legislature in order to make the amendment prospective introduced the first proviso to section 149(1). In view of above discussion both on facts and law including

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the judicial precedence, we hold that notice for A.Y. 2015-16 issued on 13.04.2022 u/s 148 of the new regime is barred by limitation. The resulting impugned reassessment proceedings as well as the impugned reassessment order are therefore bad in law and liable to be quashed.

12. Since we have allowed the appeal considering the legal contention raised ground No.1, the grounds on merits have become academic not warranting any separate adjudication.

**SA No.5/Chny/2026:**

13. Considering that we have allowed the appeal of the assessee, the stay application filed by the assessee has become infructuous. Accordingly the same is dismissed as infructuous.

14. In the result, the appeal of the assessee is allowed and the stay application of the assessee is dismissed as infructuous.

*Order pronounced on 04<sup>th</sup> day of March, 2026 at Chennai.*

**Sd/-  
(मनु कुमर गिरि)  
(Manu Kumar Giri)**

**न्यायिक सदस्य / Judicial Member**

**Sd/-  
(पदमवती यस)  
(Padmavathy.S)**

**लेखा सदस्य / Accountant Member**

चेन्नई/Chennai, दिनांक/Dated: 04<sup>th</sup> March, 2026.

EDN, Sr. P.S

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आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त/CIT, Chennai/Madurai/Coimbatore/Salem
4. विभागीय प्रतिनिधि/DR
5. गार्ड फाईल/GF