

**THE INCOME TAX APPELLATE TRIBUNAL,  
DELHI BENCH “E” NEWDELHI**

**BEFORE SHRI SUDHIR KUMAR, JUDICIAL MEMBER  
AND  
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER**

**ITA No.3399/Del/2025**  
**Assessment Year: 2015-16**

Income Tax Officer, ward-14(3) , Room No.305 CR Building I.P. Estate New Delhi -110002	<b>Vs.</b>	Kolahi, Infotech Private Limited 129, First Floor Transport Centre Punjabi Bagh New Delhi, Delhi- 110034
<b>PAN No.AADCK3127C</b>		
<b>(Appellant)</b>		<b>(Respondent)</b>

Appellant by	Ms. Sita Srivastava, CIT, DR
Respondent by	Ms. Ananya Kapoor Advocate Sh. Shivam Yadav, Advocate

Date of hearing	24.09.2025
Date of pronouncement	19.11.2025

**ORDER**

**PER SUDHIR KUMAR JM:**

The revenue preferred the appeal, challenging the order dated passed by Commissioner of Income Tax (A), Delhi-31, pertaining to A.Y. 2015-16.

2. The revenue has raised following grounds of appeal:

*1) The Ld. CIT(A) has erred on facts AMD law in holding that the notice u/s 148 of the Income tax Act, 1961 dated 28-07-2022 is barred by limitation relying upon the submission of the department in the case of Rajeev Bansal (Supra) that the reassessment for Assessment year 2015-16 falls outside the provision of TOLA. The said notice was issued as per direction of Hon'ble Supreme Court in the case of Ashish Agarwal (Supra) in new regime (as Amended by finance Act, 2021) of the Income Tax Act, 1961 after approval of specified authority. The escapement income of instant case is more than fifty lakh, the case covered u/s 149(1) (b) of the Act. As per new regime time limit for issuance of notice u/s 148 is 31-03-2026.*

*2. The Ld. CIT(A) has erred on facts AMD law in holding that the assessment made by the AO u/s 147 r.w.s. 143(3) of the Act is annulled as the notice u/s 148 dated 28-07-2022 was issued within the time limitation.*

*3. The appellant craves leave for reserving the right to amend, modify, alter add or forego any ground(s) of appeal at any time before or during the hearing of this appeal.*

3. The brief facts of the case are that the assessee is a private limited Company. The assessee company filed its return of income under section 139 of the Income tax Act, 1961(in short “the Act”) on 15-09-2015 for A.Y. 2015-16 declaring a loss of Rs.1,10,162/-. The case of assessee was selected for scrutiny and after making the due inquiries pertaining to the investment made by the assessee the assessment was completed vide assessment order dated 21-11-2017 under section 143(3) of the Act. The assessing officer disallowed a sum of Rs.1,10,162/-under section 14A of the Act. Against the said assessment order of the AO, the assessee had preferred the appeal before the Ld. CIT(A), who vide order dated 26-07-2018 deleted the disallowance and allowed the appeal of the assessee. The case of the assessee was reopened and notice u/s 148 of the Act dated 22-04-2021 was issued. In the pursuance of the Hon’ble supreme Court judgment in the case of Union of India v. Ashish Agarwal [2022] 444ITR 1(SC) a notice under

section 148A(b) of the Act dated 19-05-2022 was issued to the assessee and the order dated 28-07-2022 u/s 148A(b) of the Act was passed and fresh notice u/s 148 of the Act was issued. The Assessing Officer completed the reassessment proceedings vide order dated 19-05-2023 passed u/s 147 r.w.s. 144B of the Act by making the addition of Rs.163,00,00,000/- under section 68 r.w.s.115BBE of the Act. Aggrieved the order of the Assessing Officer the assessee preferred the appeal before the Ld. CIT(A) who vide his order dated 25-03-2025 allowed the appeal against which the Revenue is in appeal before the tribunal. Ld. CIT(A) observed in his order as under:

*14. In Ashish Agarwal (supra), Hon'ble Supreme Court deemed the notices issued under section 148 of the old regime as show cause notices issued under section 148A(b) of the new regime which came into being by virtue of the amendments carried out in the Act by Finance Act, 2021. Hon'ble Court laid down the law that the provisions of the new regime will be applicable for all the reassessment notices u/s 148 after 1 April 2021. As a result of this holding all the reassessment notices issued u/s 148 of the old regime,*

*i.e. as the law was before the amendments were carried out in the Act by the Finance Act, 2021, would have been declared invalid. Therefore, Hon'ble Court deemed the reassessment notices issued under the old regime after 1 April 2021 as show cause notices issued under Section 148A(b) of the new regime.*

*15. Recently, in the case of Union of India v. Rajeev Bansal {2024} 167 taxmann.com 70 before the Hon'ble Supreme Court, the Department made the following submissions (as extracted from the order of Hon'ble Supreme Court):*

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

*a. Parliament enacted TOLA as a free- standing legislation to provide relief and relaxation to both the assessee and the Revenue during the time of COVID-19. TOLA seeks to relax actions and proceedings that could not be completed or complied with within the original time limits specified under the Income Tax Act;*

*b. section 149 of the new regime provides three crucial benefits to the assessee (i) the four-year time limit for all situations has been reduced*

*to three years;(ii) the first proviso to Section 149 ensures that re-assessment for previous assessment years cannot be undertaken beyond six years; and (iii) the monetary threshold of Rupees fifty lakhs will apply to the reassessment for previous assessment years;*

*c. the relaxations provided under section 3(1) of TOLA apply “notwithstanding anything contained in the specified Act” section 3(1), therefore, overrides the time limits for issuing a notice under section 148 read with Section 149 of the Income Tax Act;*

*d. TOLA does not extend the life of the old regime. It merely provides a relaxation for the completion or compliance of actions following the procedure laid down under the new regime.*

*e. The Finance Act 2021 substituted the old regime for re-assessment with a new regime. The first proviso to section 149 does not expressly bar the application of TOLA. Section 3 of TOLA applies to the entire Income Tax Act, PART C Page 52 of 112 including Sections 149 and 151 of the new regime. Once the first proviso to section 149(1)(b) is read with TOLA, then all the notices issued*

*between 1 April 2021 and 30 June 2021 pertaining to assessment  
years 2013-2014, 2014-2015, 2015-2016 , 2016-17 and 2017-  
2018 will be within the period of limitation as explained in the  
tabulation below*

<i>Assessment year</i>	<i>Within 3 years</i>	<i>Expiry of limitation read with TOLA for (2) (3)</i>	<i>Within Six years</i>	<i>Expiry of Limitation read with TOLA for (4) (5)</i>
<i>(1)</i>	<i>(2)</i>		<i>(4)</i>	
<i>2013-14</i>	<i>31-03-2017</i>	<i>TOLA not applicable</i>	<i>31.03.2020</i>	<i>30.06.2021</i>
<i>2014-15</i>	<i>31-03-2018</i>	<i>TOLA not applicable</i>	<i>31.03.2021</i>	<i>30.06.2021</i>
<i>2015-16</i>	<i>31-03-2019</i>	<i>TOLA not applicable</i>	<i>31.03.2022</i>	<i>TOLA not applicable</i>
<i>2016-17</i>	<i>31-03-2020</i>	<i>30-06-2021</i>	<i>31.03.2023</i>	<i>TOLA not applicable</i>

2017-18	31-03-2021	30-06-2021	31.03.2024	TOLA not applicable
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*f. The revenue concedes that for the assessment year 2015-16 all notices issued on or after 11 April 2021 will have to be dropped as they will not fall for completion during the period prescribed under TOLA;*

*g. Section 2 of TOLA defines “specified Act” to mean and includes the Income Tax Act. The new regime, which came into effect on 1 April is now part of the Income tax Act. Therefore TOLA continues to the Income Tax Act even after 1 April 2021; and*

*h. Ashish Agarwal (Supra) treated section 148 notices issued by the Revenue between 1 April 2021 and 30 June as show –cause notices in terms of section 148A(b). Thereafter, the Revenue issued notices under section 148 PRT C page 53 of 112 of the new regime between July and August 2022. Invalidation of the section 148 notices issued under the new regime on the ground that they were issued beyond the time limit specified under the income Tax Act read with TOLA will completely*



*frustrate the judicial exercise under taken by this Court in Ashish Agarwal (supra)”*

*16. In view of the aforesaid submission of the Department, Hon’ble Supreme Court in the said case of Rajeev Bansal (supra) noted that the reassessment for assessment Year 2015-16 falls outside the provisions of TOLA. The proceedings for that assessment year are therefore barred by limitation and such declared invalid by the Hon’ble Supreme Court.*

*17. Upon careful consideration of the facts and circumstances of the case, I find that AO has applied Ashish Agarwal (supra) and treated the notice u/s 148 of the Act dated 22-04-2021 as show cause notice u/s 148A(b) of the Act and material/ information was provided to the appellant vide letter dated 19-05-2022. Subsequently, order u/s 148A(d) of the Act was passed by the AO on 28-07-2022 and a fresh notice u/s 148 of the Act dated 28-07-2022 was issued to the appellant.*

*18. In view of the aforesaid facts of the case and the stand of the Department taken before Hon’ble Supreme Court in the case of Rajeev Bansal (supra), it becomes clear that the case of the appellant for*

*assessment year 2015-16 falls outside the period of completion prescribed under TOLA. The proceedings for the assessment year 2015-16 are therefore barred by limitation and invalid as held by Hon'ble Supreme Court, Therefore, respectfully following Hon'ble Supreme Court and the stand of the Department before Hon'ble Court in the case of Rajeev Bansal (supra) that 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, I have no hesitation in holding that the proceedings in the instant case are time barred by limitation and therefore are invalid. Thus, the assessment made in pursuance to the said proceedings, in my considered view, is not sustainable in law being barred by limitation. The said assessment order, in fact. Is non- est in the eyes of law. Hence, the assessment, so made by the AO u/s 147 r.w.s.143(3) of the Act is hereby annulled.*

*19. Since the assessment has been annulled as above, all other grounds taken by the appellant remain of academic interest only. Therefore, they are not being adjudicated upon in this order.*

*20. In the result, appeal is allowed.*

4. Learned CIT. DR submitted that in this case the notice was issued as per the direction of the Hon'ble Supreme Court in the case of Ashish Agarwal after obtaining the approval of the specified authority. It was also submitted that it was wrongly held that the notice issued under section 148 of the Act is time barred. In this case the escapement income more than fifty lakh, the case covered under section 149(1)(b) of the Act, and time limit is 31-03-2026 as per the new regime.

5. Ld. AR of the assessee submitted that the impugned proceedings is barred by limitation in view of the judgment dated 03-10-2024 rendered by Hon'ble Supreme Court in the case of union Of India and others vs. Rajeev Bansal [2024 SCC on Line SC 2693]. In this case the revenue conceded that for the assessment year 2015-16, all notices issued on or after April 1, 2021 will have to be dropped as they will not fall for completion during the period prescribed under Taxation and other Laws (TOLA). The ld. AR also submitted the following details of the notices and order passed u/s 148A(b) of the Act.

Notice u/s 148 of the Act under old regime was issued on 22-04-2021

Notice u/s 148A(b) of the Act was issued on 19-05-2022

Response filed by the assessee on 28-05-2022 & 17-06-2022

Order passed u/s 148A(d) of the Act on 28-07-2022

Notice issued u/s 148 Of the Act on 28-07-2022

Assessment order u/s 147 r.w.s. 144B of the Act was completed on 19-05-2023. He further submitted that the appeal was rightly allowed by the Ld. CIT(A) relying the judgment of Union Of India and others vs. Rajeev Bansal.

6. The Hon'ble Supreme Court in the Special Leave Petition (civil) Diary No. 59625/2024 of Income Tax Officer ward-1 (2) Jaipur v. R.K. Build Pvt. Ltd., its order dated 17-01-2025 dismissed the SLP arising from the similar decision rendered by the Hon'ble Rajasthan High Court the Hon'ble Supreme court held that “

Delay Condoned.

Having regard to the concession made by the petitioner- Department in the case of Union of India vs. Rajeev Bansal, Civil Appeal no.8629 of 2024 on 03-10-2024(2024SCC ON LINE 754) this special leave Petition would not survive for further consideration. Hence, the special

Leave petition is dismissed. Pending application(s), if any shall stand disposed of’.

7. In the case of Bhagwan Sahai Sharma v, Deputy Commissioner of Income Tax Circle 13(1) Delhi & Anr, the Hon’ble High Court in para 11 held that “in the present case, the impugned notice was issued on 30-07-2022 which is admittedly beyond the period of limitation as prescribed under section 149(1) of the Act, and TOLA is not applicable in respect of the said notice, as was conceded by the Revenue in the case of Union Of India V. Rajeev Bansal: 2024 INSC 754 (supra). The impugned notice is liable to be set aside.”

6. Reliance has also placed on the followings judgments;

(i) IBIBO groups Private Limited v. ACIT, circle 10(1) & Anr. W.P. (C) 17639/2022

(ii) Pratishtha Garg v. ACIT, central Circle 25 Delhi (Delhi High Court)

(iii) Income tax officer , ward -62(1), New Delhi v. Girish Kumar Gupta ITAT Delhi ITA no. 5366/Del/2024

(iv) Balbir Singh National Faceless Appeal Centre ITAT-Delhi ITA  
No.5755 /Del/2024

7. We have heard the rival contentions and perused the material available on record. In the present case the notice under Section 148 of the Act was issued on 22-04-2021 for the A.Y.2015-16. The case of the assessee falls outside the period of completion prescribed under TOLA. Ld. CIT(A) has examined the issue in the correct prospective and rightly allowed the appeal of the assessee. The reasoning and findings of the Ld. CIT(A), while granting relief is on proper appreciation of law expounded by the judicial dicta. We do not find any reasons to interfere with the findings of the Ld. CIT(A). The appeal of the Revenue is liable to be dismissed.

8. In the result the appeal of the Revenue is dismissed.

Order pronounced in the open court on 19/11/2025.

Sd/-

Sd/-

**(MANISH AGARWAL)**  
**ACCOUNTANT MEMBER**

**(SUDHIR KUMAR)**  
**JUDICIAL MEMBER**

Dated: 19/11/2025

Sr. PS/ SR BHATNAGGAR

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Income Tax officer, Ward-14(3) New Delhi vs. Kolahi  
Infotech Private Limited New Delhi

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asstt. Registrar, ITAT, Delhi