

IN THE INCOME TAX APPELLATE TRIBUNAL  
AHMEDABAD "SMC" BENCH

**Before: DR. BRR Kumar, Vice President  
And Shri T. R. Senthil Kumar, Judicial Member**

**ITA No: 1921/Ahd/2025  
Assessment Years: 2017-18**

Rupinder Singh Duggal E-52, Satellite Centre, Satellite Road, Vestrapur, Ahmedabad Gujarat-380015 <b>PAN: AKKPD1272H (Appellant)</b>	Vs	Income Tax Officer, Ward-5(3)(2), Ahmedabad  <b>(Respondent)</b>
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**Assessee Represented: Shri Mehul Thakker, CA  
Revenue Represented: Ms. Ketaki Desai, Sr. D.R.**

Date of hearing : 11-02-2026  
Date of pronouncement : 16-03-2026

**आदेश/ORDER**

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

This appeal is filed by the Assessee as against appellate order dated 15-09-2025 passed by the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi, (in short referred to as "CIT(A)"), arising out of the reassessment order passed under section 147 r.w.s. 144B 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 an individual has not filed the Return of Income for the Asst. Year 2017-18. Specific information received in the Income Tax portal that the assessee has received salary of Rs.10,49,754/- and sold immovable property for

Rs.32,00,000/- and the assessee purchased equity shares of Rs.14,42,420/- and sold shares of Rs.12,54,275/-. Therefore, show cause notice u/s.148A[b] was issued to the assessee and the assessee furnished copies of Form-16 towards Salary and copies of Sale Deed as well as Purchase Deed. The AO passed order u/s.148A[d] of the Act dated 12-03-2024 alleging escapement of income of Rs.69,46,449/- and also issued notice u/s.148 of the Act. In response the assessee filed his Return of income on 28-03-2024 declaring total income of Rs.8,98,920/-. The reassessment was completed as follows:

Information Description	Amount of Transaction (Rs.)	Source submitted during Enquiry u/s. 148A(c) of the Act	Amount
TDS Statement-Salary to employees (Section 192)	10,49,754	Form 16	8,98,920
Sale of immovable property	32,00,000	Sale deed and Purchase deed	20,93,414
Purchase of equity share in recognized stock exchange	14,42,420	Self explanatory from the NSE DATA	Loss
Sale of equity share (setting by the actual delivery of transfer) in a recognized stock exchange	- 12,54,275	Self explanatory from the NSE DATA	Loss
<b>TOTAL</b>	<b>44,37,899</b>		<b>29,92,334</b>

3. Aggrieved against the reassessment order, the assessee filed an appeal before Ld. CIT[A] who confirmed the Additions and dismissed the appeal filed by the assessee.

4. Aggrieved against the same, the assessee is in appeal before us raising the following Grounds of Appeal:

1. *In the facts and circumstances of the case and in law, the notice issued u/s 148 of the Act beyond the period of three years from the end of relevant assessment year is bad in law, as it does not satisfy the conditions prescribed under clause (b) of sub-Section (1) of Section 149 of the Act.*

2. *In the facts and circumstance of the case and in law, the notice issued under section 148 of the Act is invalid, as it was not accompanied by a copy of the approval granted by the Specified Authority under section 151 of the Act, thereby violating the mandatory procedural requirement.*

3. *In the facts and circumstances of the case and in law, the notice under section 148 issued by the Jurisdictional Assessing Officer instead of the National Faceless Assessment Centre (NFAC) is without jurisdiction, being contrary to the procedure prescribed under the E-Assessment of Income Escaping Assessment Scheme, 2022, notified vide CBDT Notification No. 18/2022 dated 29.03.2022.*

4. *Without prejudice to forgoing grounds,*

*(A) The learned Commissioner of Income-tax (Appeals) has erred in law and on facts in confirming the action of the learned Assessing Officer in denying the exemption under section 54 of the Act amounting to Rs.20,93,414/--*

*(B) The learned Commissioner of Income-tax (Appeals) has further erred in law in upholding the disallowance of deduction under section 80C of the Act amounting to Rs.1,00,000/-, though such issue was not the subject-matter of reassessment proceedings.*

5. *The appellant craves leave to add, alter or delete any ground either before or in the course of hearing of the appeal.*

4.1. The assessee also raised the following Additional Grounds of Appeal:

1. *The Ld. Assessing Officer has erred in law and on facts in passing the order under section 148A(d) without obtaining valid*

*sanction under section 151 of the Act, and therefore the reopening and all subsequent proceedings are bad in law and liable to be quashed.*

*2. The Ld. Assessing Officer has erred in law and on facts in not adhering the alleged sanction under section 151 of the Act while passing order under section 148A(d) of the Act, which is contrary to statutory requirements, thereby rendering the proceedings without jurisdiction and liable to be annulled.*

5. We have given our thoughtful considerations and perused the materials available on record including Paper Book filed by the assessee. The reassessment in the present case has been initiated on the basis of information received from the insight portal of the department that the assessee has not filed regular Return of Income though there were salary income of Rs.10,49,754/- and sold immovable property for Rs.32 lakhs and the assessee purchased equity shares of Rs.14,42,420/- and sold shares of Rs.12,54,275/-. The assessee explained that the escaped income is Rs.44,37,899/= which is below the monetary limit of Rs.50 lakhs as prescribed u/s.149(1)(b) of the Act and requested to drop the reassessment proceedings. However, the Ld AO in the reassessment order confined the additions to salary income of Rs.8,98,920/=; LTCG of Rs. 20,93,414/= and denial of section 80C of Rs.1 lakh and determined the total income of Rs.30,92,334/=, which is admittedly below the monetary threshold of Rs.50 lakhs as prescribed u/s.149(1)(b) of the Act.

5.1. In our considered view, the expression “income chargeable to tax which has escaped assessment” used in section 149 refers to the real income sought to be brought to tax and not the gross value of transactions. Since the alleged escaped income in the present case

does not satisfy the statutory threshold of Rs.50 lakhs as prescribed u/s.149(1)(b) of the Act, the very assumption of jurisdiction under section 148 is invalid in law and the consequential reassessment proceeding is liable to be quashed. Since the reassessment is quashed on lack of jurisdiction, the other grounds raised by the assessee are not adjudicated.

6. In the result **the appeal filed by the assessee is allowed.**

Order pronounced in the open court on	16-03-2026
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**Sd/-**  
**(DR. BRR KUMAR)**  
**VICE PRESIDENT**  
**Ahmedabad : Dated 16/03/2026**

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

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