

Union of India & Ors. v. Rajeev Bansal

Civil Appeal No. 8629 of 2024

[2024] 10 S.C.R. 1633 : 2024 INSC 754 | 2024-10-03

Whether TOLA and its notifications continue to relax the relevant time limits after the Finance Act, 2021 substituted sections 147-151 from 1 April 2021; and whether the later new-regime section 148 notices issued following Ashish Agarwal survive limitation and approval objections, including where the original April-June 2021 notice had not been challenged.

147 | 148 | 148A(a) | 148A(b) | 148A(c) | 148A(d) | 149(1)(a) | 149(1)(b) | 149(1) first proviso | 149(1) third proviso | 151

Three-judge bench | Dr Dhananjaya Y Chandrachud, CJI | J. B. Pardiwala, J. | Manoj Misra, J.

Assessment years: 2013-14, 2014-15, 2015-16, 2016-17, 2017-18

Notice-specific limitation and sanction checks remain

Historical April-June 2021 deemed notices and ensuing new-regime notices. Individual TOLA eligibility, old-law ceiling, new-law conditions, surviving time and appropriate sanction remain necessary. No current-law certification.

[paragraphs 112-118 / PDF pages 74, 75, 76 / judgment](#); [paragraphs 112-118 / PDF pages 109, 110, 111, 112 / judgment](#)

01 FACTS OF THE CASE

The common batch arose from the transition between the former and substituted reassessment schemes. The lead appeal challenged the Allahabad High Court's 22 February 2023 decision in Writ Tax No. 1086 of 2022. The Court addressed connected Revenue and assessee appeals and transfer petitions involving AYs 2013-14 to 2017-18; it did not attribute every year or a common escaped-income figure to Rajeev Bansal individually.

TOLA was enacted in response to COVID-19 and, with its notifications, relaxed completion/compliance deadlines within the relevant 20 March 2020 to 31 March 2021 window up to 30 June 2021. Meanwhile, the Finance Act, 2021 substituted sections 147-151 from 1 April 2021. The explanations to the 31 March and 27 April 2021 notifications purported to retain the former reassessment provisions. Officers consequently issued old-law section 148 notices between 1 April and 30 June 2021. High Courts held that the substituted law applied and quashed challenged notices. On 4 May 2022, Ashish Agarwal agreed that the new regime applied but used Article 142 to deem the covered former-law notices to be new section 148A(b) show-cause notices and allowed the remaining statutory process, preserving defences.

CBDT Instruction No. 01/2022 dated 11 May 2022 then prescribed implementation, including its stated time-travel premise and AY groupings. Those statements are administrative background, not a substitute for this Court's later reasoning. Officers considered replies, passed section 148A(d) orders and issued new section 148 notices; paragraphs 16 and 18 describe the later notices as issued in July-September 2022, while the Part F heading uses June-September. High Courts invalidated notices for limitation and/or inadequate sanction. The Supreme Court was therefore deciding issues that Ashish Agarwal had left open, rather than assessing final escaped income or tax liability.

The objections were materially different. AYs 2013-14 and 2014-15 raised the former six-year bar; AYs 2016-17 and 2017-18 raised the new three-year period and appropriate sanctioning tier. For AY 2015-16, paragraph 20(d)(ii) records the respondents' former-law sanction objection. Paragraph 19(f) separately records Revenue's concession about post-1 April 2021 notices for that AY. The concession is preserved in the AY grouping above and is not recast as a freestanding operative holding. A further objection sought to exclude assessee who had never challenged the original notice from the Ashish Agarwal directions.

Source: [reported rendition / paragraphs 1-18 / PDF pages 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28 / judgment](#); [reported rendition / paragraphs 19\(e\)-\(f\); 20\(d\) / PDF pages 29, 30, 31 / party submissions](#); [official signed judgment / paragraphs 1-18 / PDF pages 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50 / judgment](#); [official signed judgment / paragraphs 19\(e\)-\(f\); 20\(d\) / PDF pages 52, 53, 54 / party submissions](#)

02 DISCUSSION BY THE HON'BLE COURT

1. Jurisdictional safeguards and interpretation. Reassessment is a quasi-judicial exercise subject to statutory preconditions; a notice outside the permitted time or without the required sanction suffers from a jurisdictional defect. Such conditions cannot be waived merely by the parties. The Court distinguished strict construction of a charging provision from construction that makes assessment machinery workable, and applied harmonious construction to the Income-tax Act and TOLA. The latter statute was not impliedly displaced simply because the reassessment provisions were substituted (paragraphs 21-44, 60-72).

2. The new scheme and the former-law ceiling. After 1 April 2021, references to the Income-tax Act mean the Act with the substituted provisions. The new regime governs notices then issued even for earlier AYs. Its ordinary period is three years. The longer route under the 2021 section 149(1)(b) requires the specified books, documents or evidence revealing escaped income represented in the form of an asset, amounting or likely to amount to Rs 50 lakh or more; amount alone is not the whole statutory test. For an AY beginning on or before 1 April 2021, the first proviso additionally prohibits a new-law notice if the old section 149(1)(b) time limit would already bar it at the relevant time. The ten-year provision therefore does not generally revive years already closed under that six-year ceiling. The Court also held that notices invoking the old six-year period must be dropped if escaped income is below Rs 50 lakh. The quoted statute and table use 'or more'; narrative references to 'more than' are not treated here as excluding an amount of exactly Rs 50 lakh (paragraph 10 and footnote 21; paragraphs 45-60).

3. TOLA survives, but does not preserve the repealed procedure. Section 3(1) applies to completion of the specified actions, including issue of notices, sanction and approval, where the relevant deadline falls within 20 March 2020 to 31 March 2021. Substitution does not remove TOLA's operation. Its non obstante clause relaxes the time for completing the action to 30 June 2021; it does not rewrite the basic three-year/six-year structure or permit continued use of the old reassessment procedure after 1 April 2021. Section 149 must be read with the applicable TOLA relaxation. Deadlines already expired before 20 March 2020 do not receive that relief. Thus the first-proviso old-law bar remains important but must itself be tested with the applicable TOLA relaxation. This is not an indefinite extension for every AY or every later notice (paragraphs 54, 60-72).

4. Approval must be analysed separately. Under the new regime, section 151(i) identifies Principal Commissioner/Principal Director/Commissioner/Director for the three-year-or-less category. The 2021 section 151(ii) text identifies Principal Chief Commissioner/Principal Director General, or, where there is no such principal authority, Chief Commissioner/Director General, for the beyond-three-year category. The Court's summary table abbreviates that fallback wording; the statutory quotation controls the historical text. If the three-year endpoint falls within TOLA's specified window, the section 151(i) authority has extended time to 30 June 2021. Under the old regime, if the four-year endpoint falls within that window, the section 151(2) authority has extended time only to 31 March 2021, because the substituted regime starts on 1 April. Approval by the proper authority remains a

02 DISCUSSION BY THE HON'BLE COURT

jurisdictional precondition (paragraph 10 and footnote 22; paragraphs 73-78, 114(d)-(e)).

5. The Ashish Agarwal conversion includes an implied approval waiver, but only at the specified stage. Besides the express one-time section 148A(a) dispensation, Rajeev Bansal holds that converting old section 148 notices into section 148A(b) notices impliedly waived prior approval for that show-cause step. It expressly says the requirement was not waived for section 148A(d) or the subsequent section 148 notice; appropriate approval under the new section 151 remained necessary, read with TOLA where applicable. Paragraph 79 separately notes the Finance Act, 2022 deletion of the section 148A(b) approval requirement. The 2021 historical four-stage description is not offered as a statement of every later statutory version (paragraphs 79-81).

6. PAN-India scope and Article 142. The Court distinguished declarations of law under Article 141 from fact-specific Article 142 directions, while explaining that the constitutional power supplements the legal framework and does not simply displace substantive rights. It construed Ashish Agarwal as covering all approximately 90,000 former-law notices issued between 1 April and 30 June 2021, including unchallenged notices. The earlier references to decided and pending writ petitions were not exhaustive limits. The legal fiction made each old notice a section 148A(b) show-cause notice from its original issue date; it did not transform it into a valid final section 148 notice under the new law. Disclosure, response, the remaining process and preserved defences continued to matter (paragraphs 82-100).

7. Deemed stay and response-time exclusion. For the third proviso to section 149, the Court treated the deemed show-cause proceedings as stayed from the original April-June 2021 issue date until the relevant material and information were supplied in compliance with Ashish Agarwal. The incomplete deemed notice could not effectively progress until disclosure. That period is excluded, together with the two weeks allowed to the assessee to respond. Paragraph 107 also recognises the statutory exclusion of the time or extended time allowed for response. These are notice-specific exclusions; they are not a single universal extension covering all of April 2021 to September 2022 (paragraphs 94-107).

8. Only the surviving balance remains for the next steps. The clock stopped on the original notice/deemed-notice date. The balance under the Act read with TOLA is the number of days between that date and 30 June 2021. Paragraphs 111-112 state that time starts running again on receipt of the assessee's response; within the surviving period the officer must consider the response, make the section 148A(d) determination and issue any legally justified section 148 notice. The Court's illustration uses an original notice dated 1 May 2021, a balance of sixty-one days, a reply on 18 June 2022 and a last date of 18 August 2022. Those are expressly illustrative dates, not the respondent's facts or a common deadline. The statutory fourth proviso's minimum-seven-day rule for section 148A(d) appears in footnote 21; the Court does not separately determine its application to every file or replace the individual calculation with a blanket minimum. Paragraphs 113-114(h) make notices beyond the surviving time invalid. Correct approval and all other relevant new-law requirements remain independent conditions (paragraph 10 footnote 21; paragraphs 108-114).

02 DISCUSSION BY THE HON'BLE COURT

Source: [reported rendition / paragraphs 10, footnotes 19-24 / PDF pages 21, 22, 23, 24 / quoted statutory text and background](#); [reported rendition / paragraphs 21-44 / PDF pages 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44 / judgment](#); [reported rendition / paragraphs 45-72 / PDF pages 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56 / judgment](#); [reported rendition / paragraphs 73-81 / PDF pages 56, 57, 58, 59, 60 / judgment](#); [reported rendition / paragraphs 82-100 / PDF pages 60, 61, 62, 63, 64, 65, 66, 67, 68, 69 / judgment](#); [reported rendition / paragraphs 101-114 / PDF pages 69, 70, 71, 72, 73, 74, 75, 76 / judgment](#); [official signed judgment / paragraphs 10, footnotes 21-22 / PDF pages 44, 45 / quoted statutory text and background](#); [official signed judgment / paragraphs 45-54 / PDF pages 70, 71, 72, 73, 74, 75 / judgment](#); [official signed judgment / paragraphs 60-81 / PDF pages 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91 / judgment](#); [official signed judgment / paragraphs 89-107 / PDF pages 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106 / judgment](#); [official signed judgment / paragraphs 108-114 / PDF pages 107, 108, 109, 110, 111 / judgment](#)

03 JUDICIAL DECISION

The Court held that the substituted reassessment provisions apply after 1 April 2021 and that TOLA continues to relax qualifying deadlines falling between 20 March 2020 and 31 March 2021. Section 3(1) overrides section 149 only to the limited extent of relaxing the time for issuing the notice. It also affects the sanction timeline: qualifying new-section-151(i) approvals receive time to 30 June 2021; qualifying old-section-151(2) approvals receive time only to 31 March 2021.

Ashish Agarwal applies to all the former-law notices issued between 1 April and 30 June 2021, including those not challenged. The Court prescribed the notice-specific deemed-stay and response-time exclusions and required each later section 148 notice to issue within the surviving period under the Act read with TOLA. Notices beyond that period are time-barred and liable to be set aside. The separate statutory conditions, including appropriate approval, were not universally cured.

Paragraph 115 sets aside the High Court judgments in Rajeev Bansal, Keenara Industries, J M Financial and Investment Consultancy Services, Siemens Financial Services, Geeta Agarwal, Ambika Iron and Steel, Twylight Infrastructure and Ganesh Dass Khanna, and judgments relying on them, only to the extent of this Court's observations. Revenue appeals were allowed; assessee appeals were to be governed by the reasons in this judgment. Transfer petitions and pending applications were disposed of. The operative order does not expressly direct a blanket remand, identify a remand forum for every individual matter, adjudicate each notice's calendar, or finally determine escaped income or tax.

Source: [reported rendition / paragraphs 52-53; 77; 80-81; 114-118 / PDF pages 47, 58, 59, 60, 75, 76 / judgment](#); [official signed judgment / paragraphs 52-53; 77; 80-81; 114-118 / PDF pages 74, 75, 88, 89, 90, 91, 110, 111, 112 / judgment](#)

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Revenue on the principal TOLA and PAN-India-scope issues, subject to the preserved limitation, monetary/statutory and approval safeguards for assessees

Revenue appeals allowed; identified High Court rulings and dependent rulings set aside only to the extent of the judgment's observations; assessee appeals governed by its reasons; transfer petitions and pending applications disposed of

Common statutory and transitional issues decided; no universal declaration that every later reassessment notice is valid and no final tax-liability adjudication

Historical April-June 2021 deemed notices and ensuing new-regime notices. Individual TOLA eligibility, old-law ceiling, new-law conditions, surviving time and appropriate sanction remain necessary. No current-law certification.

Source: [reported rendition / paragraphs 112-118 / PDF pages 74, 75, 76 / judgment](#); [official signed judgment / paragraphs 112-118 / PDF pages 109, 110, 111, 112 / judgment](#)

05 AKHB REVIEW POINT

Build a notice-by-notice chronology before using this decision: the AY and applicable old/new section 149 route; the original issue date; the correct three-, four- or six-year endpoint; whether that endpoint falls within TOLA's window; complete disclosure date; time allowed or extended for response and actual response date; the section 148A(d) order; the fresh section 148 notice; and the authority, date and statutory version for each approval. Keep the first-proviso old-law ceiling, the new-law Rs 50 lakh or more/evidentiary conditions, TOLA relaxation, response/stay exclusions and sanction tier as separate checks. The former sixteen-year foreign-asset rule reproduced in footnote 7 must not be silently substituted for the specific old-section-149(1)(b) ceiling addressed here.

Do not reject an April-June 2021 notice merely because its recipient never filed a writ; Rajeev Bansal expressly includes that group. Conversely, do not treat conversion as final validation. The section 148A(b) approval waiver does not remove the section 148A(d)/148 approval inquiry. Record the AY 2015-16 concession faithfully but investigate the actual notice category before treating it as dispositive. Use the Court's sixty-one-day illustration as an illustration, not a calculation template detached from the applicable statutory provisos and actual chronology. Do not assume that the CBDT Instruction's time-travel phrasing backdates every later statutory act or independently cures a jurisdictional defect. The preserved limitation defence must now be analysed through this judgment's holdings rather than as though Ashish Agarwal had never received this interpretation. Check later decisions and amendments before advice on a live matter; no automatic mapping to the Income-tax Act, 2025 is made.

Source: [reported rendition / paragraphs 10 footnotes 21-22; 19\(f\); 20\(d\); 45-54; 65-81; 89-114 / PDF pages 23, 24, 29, 30, 31, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76 / judgment](#)

DETAILED DISPOSITION AND CONNECTED GROUPS

Remand status: No express blanket remand or file-specific remand direction in paragraphs 115-118; consequential individual application of the stated tests is not labelled a formal remand.

Costs status: No express costs direction in paragraphs 115-118

Limitation illustration

Source paragraph: 112

Original deemed notice: 2021-05-01

Balance days as stated by court: 61

Response date assumed: 2022-06-18

Last date as stated by court: 2022-08-18

Status: Judicial illustration only; not a new computation, universal deadline or fact about the named respondent

ADDITIONAL STATUTORY CONTEXT, NOT SEPARATE HOLDINGS

149(1) fourth proviso; 153A; 153C; 158BE Explanation 1; 263

OTHER LEGISLATION CONSIDERED

Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020, sections 2(1)(b) and 3(1); Finance Act, 2021; Finance Act, 2022, section 45 (historical section 148A(b) approval amendment noted in paragraph 79); Constitution of India, Articles 141, 142 and 265

JUDICIAL AUTHORSHIP AND SEPARATE OPINIONS

Dr Dhananjaya Y Chandrachud, CJI

ASSESSMENT-YEAR GROUPS

1.

Assessment years: 2013-14; 2014-15

Issue: Six-year old-section-149(1)(b) bar preserved by the first proviso to new section 149(1)

Ordinary old six year expiry: 2020-03-31; 2021-03-31

Tola treatment: These endpoints fall within the TOLA window; the judgment reads the applicable issue deadline with TOLA up to 30 June 2021, subject to new-law conditions and the later deemed-notice exclusions and surviving-time calculation.

Source paragraphs: 19(e) (Revenue table); 20(d)(i) (respondents' categorisation); 49-54; 65-72; 108-114

2.

Assessment years: 2015-16

Issue: Distinct old-regime sanction objection and recorded Revenue concession

Ordinary old four year expiry: 2020-03-31

Ordinary old six year expiry: 2022-03-31

Source role: The categorisation and objection are respondents' submissions; the broad concession is expressly recorded as Revenue's submission.

Treatment: Paragraph 20(d)(ii) describes notices issued after 31 March 2020 with approval under old section 151(2) rather than 151(1). Paragraph 19(f) records Revenue's concession that notices for AY 2015-16 issued on or after 1 April 2021 would have to be dropped because they did not fall for completion during TOLA's period. The table in paragraph 19(e) places this AY's six-year expiry at 31 March 2022, outside that period. The operative paragraphs do not separately decree every AY 2015-16 notice or create a general prohibition on reassessment of that year. The concession must be read in the context of the particular notice, statutory route, sanction and common conclusions; no broader immunity is inferred.

Source paragraphs: 19(e)-(f); 20(d)(ii); 77; 113-116

3.

Assessment years: 2016-17; 2017-18

Issue: New-law three-year limit and section 151(i) versus section 151(ii) approval

Ordinary new three year expiry: 2020-03-31; 2021-03-31

Tola treatment: The three-year endpoints fall within the TOLA window. New section 149(1)(a) and the sanction rule are read with the applicable relaxation; paragraph 77 extends the section 151(i) authority's time to 30 June 2021 where that test is met. Later section 148A(d)/148 steps still require the appropriate new-regime approval and compliance with the surviving-time calculation.

Source paragraphs: 19(e); 20(d)(iii); 54; 69; 75-81; 108-114

ACT IDENTIFIED IN THE REVIEWED SOURCE

Income-tax Act, 1961

SOURCE & VERIFICATION

[Hon'ble Supreme Court source PDF \(reported rendition\)](#)

Identified source rendition: 76 PDF pages; SHA-256
439111f46d4619d226ca3fc33f0e1e4776b37c86e36c75d13736e1a1653c2901. Original bytes preserved.

[Open cited source rendition](#)

Full numbered judicial text read: reported physical pages 16-76, paragraphs 1-118, including statutory footnotes and the tables. Page 15 is the author/contents page, not the start of paragraph 1. No neighbouring judgment is present.

Original has 112 physical pages, including 32 cover/docket pages and two contents pages. SCR contents retains original page references; those are not SCR physical-page pinpoints.

Paragraph 19(e) table is a Revenue submission. Paragraph 20(d) notice categories are respondents' submissions. AY 2015-16 concession in paragraph 19(f) is accurately attributed rather than promoted to a universal operative holding.

The first proviso imports the old section 149(1)(b) ceiling with applicable TOLA relaxation; a bare statement that all pre-2021 years are barred after six calendar years would omit the controlling holding.

The statute and table use Rs 50 lakh or more, and the historical section 149(1)(b) contains evidentiary/asset conditions. Narrative shorthand saying more than Rs 50 lakh is not used to exclude exact equality or omit those conditions.

Historical section 151(ii) quoted in footnote 22 contains a fallback condition for Chief Commissioner/Director General where the principal authority does not exist, although the narrative table is abbreviated. Historical section 151(2) in footnote 8 concerns officers below Joint Commissioner rank.

Both renditions contain impossible-date typographical slips: paragraph 8(b) says 31 April 2021, and the section E(ii) heading says 31 June 2021. The note follows the operative 30 June 2021 endpoint and the 20 March 2020-31 March 2021 qualifying window, not those slips.

Paragraphs 107 and 111 print 149A in places where the discussion concerns section 148A(b), (c) and (d). The note identifies section 148A and does not invent a provision numbered 149A.

Paragraphs 16 and 18 describe later notices as July-September 2022; the Part F heading says June-September. This difference is disclosed rather than converted into individual issue dates.

The source's paragraph 112 illustration is reproduced as an illustration: 1 May 2021, sixty-one days, response on 18 June 2022, ending 18 August 2022. No independent universal day-count convention or live deadline is certified.

Section 149's fourth-proviso minimum-seven-day text is acknowledged as reproduced law, but the judgment does not resolve its individual application to every notice. The note does not silently discard that text or manufacture a blanket adjustment.

Ashish Agarwal paragraph numbers quoted within Rajeev Bansal follow another reporting sequence (for example 28 and 29); the separate Ashish note uses its own original/SCR paragraph numbering (10 and 11). Cross-treatment citations here refer to Rajeev Bansal paragraphs.

Article 142 reasoning is not treated as an unrestricted power to override substantive tax-law safeguards. Section 148A(b) implied approval waiver is separated from surviving section 148A(d)/148 approval.

No express blanket remand or costs order appears in operative paragraphs 115-118. Individual tax liability and every notice chronology are not adjudicated in this common judgment.

Official original file creation/digital-signature metadata is later than 3 October 2024. The signed conclusion and reported cover establish the judicial decision date; cryptographic authenticity is not certified.

Both citations appear on reported physical page 1; 2024 INSC 754 also appears on the official original cover. The original is dated 3 October 2024 at its conclusion; later file creation/digital-signature dates are not substituted for the decision date.

These are the assessment years of the common batch stated in paragraphs 16 and 113, not a finding that all five belong to the named respondent. AY 2012-13 and AY 2018-19 appear as explanatory examples in paragraphs 48-49 and are not added as factual years of this batch. The general first-proviso reference to AY 2021-22 and earlier is a statutory scope statement.

Lead appeal only is indexed here; this common judgment also disposes of numerous connected Revenue and assessee appeals and transfer petitions listed in the official original, physical pages 1-32, and the SCR jurisdictional preface, physical pages 10-12. The lead appeal arises from the Allahabad High Court judgment dated 22 February 2023 in Writ Tax No. 1086 of 2022. The single indexed appeal number is not an exhaustive docket list.

STATUTORY SCOPE

Pre-1 April 2021 reassessment scheme, Finance Act 2021 substitution, TOLA and the notifications discussed, with the specific Finance Act 2022 approval amendment noted in the judgment

No independent consolidated current-statute audit, comprehensive later-treatment check or mapping to the Income-tax Act, 2025.

LATER TREATMENT

Source checked 2026-10-04. Subsequent appeals, review proceedings, stays, reversals and later judicial treatment of this decision have not been comprehensively checked. The treatment of Ashish Agarwal within this judgment has been reviewed and is separately described; that bounded cross-decision assessment is not a citator status certificate.

IDENTIFIED SOURCE LINKS

[reported rendition - Physical PDF page 1 / SCR page 1633 - PDF pages: 76](#)

SHA-256: 439111f46d4619d226ca3fc33f0e1e4776b37c86e36c75d13736e1a1653c2901

[official signed judgment - PDF pages: 112](#)

SHA-256: b4c697a4e5cdd638ba266666b836a5e1f54115cedc7ac505fe8dfa18d5b40459

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