IN THE INCOME TAX APPELLATE TRIBUNAL
PUNE BENCH "SMC", PUNE

BEFORE SHRI MANISH BORAD, ACCOUNTANT MEMBER
AND
SHRI VINAY BHAMORE, JUDICIAL MEMBER

आयकर अपील सं. / ITA No.2683/PUN/2026
निर्धारण वर्ष / Assessment Year : 2020-21

Shruti Amar Mehta, Flat No.602, C-Calypso, Bloom Field, Sinhagad Katraj Road, Maharashtra- 411042. PAN : ABNPM4773A	Vs.	ACIT, Circle-1(1), Pune.
Appellant		Respondent

Assessee by	:	Shri Suhas P. Bora
Revenue by	:	Smt. R. M. Brindha
Date of hearing	:	30.07.2026
Date of pronouncement	:	14.10.2026

आदेश / ORDER

PER VINAY BHAMORE, JM:

This appeal filed by the assessee is directed against the order dated 06.03.2026 passed by Ld. CIT(A)/NFAC for the assessment year 2020-21.

2. The appellant has raised the following grounds of appeal :-

"The Appellant respectfully submits the following grounds of appeal against the order passed by the Learned CIT(A), which are raised without prejudice to each other.

1. *The Ld. CIT(A) erred in law and on facts in setting aside the assessment order without adjudicating the specific legal ground challenging the validity of the reassessment proceedings initiated and completed in the name of a deceased person, despite the fact that the death of the assessee had already been intimated to the department prior to issuance of notice under section 148 of the Act.*
2. *The Ld. CIT(A) failed to appreciate that the notice issued under section 148, the consequential reassessment proceedings and the assessment order passed in the name of a deceased assessee are void ab initio, non-est in law and without jurisdiction, and therefore liable to be quashed.*
3. *The Ld. CIT(A) grossly erred in not adjudicating the jurisdictional/legal ground raised by the appellant regarding violation of section 159 of the Income-tax Act, 1961 and instead improperly restored the matter to the file of the Assessing Officer for fresh examination.*
4. *The Ld. CIT(A) failed to appreciate that once the very initiation of reassessment proceedings was void in law, no further verification or remand could have been directed and the only legally permissible course was to quash the reassessment proceedings.*
5. *The Ld. CIT(A) erred in law in observing that the appellate order "shall be read as passed in the case of Late Amar Kantilal Mehta through legal heir", without appreciating that jurisdictional defects cannot be cured by such observation, particularly when the reassessment proceedings themselves were initiated and completed against a dead person.*
6. *The Ld. CIT(A) failed to appreciate that the defect in issuing notice and completing assessment in the name of a deceased person is not a procedural irregularity curable under section 292B of the Act, but a substantive jurisdictional defect rendering the entire proceedings null and void.*
7. *The appellant craves leave to add, alter, amend, modify, rectify, delete or withdraw any of the above grounds or to raise additional grounds at the time of hearing."*

3. Facts of the case, in brief, are that the assessee is an individual and furnished her return of income u/s 139 of the IT Act on

30.12.2020 declaring income of Rs.17,71,690/-. On the basis of information received from the DDIT (Inv.), Mumbai that a search and seizure action u/s 132 of the IT Act was conducted in the case of M/s. Runwal Group and others on 06.10.2023 wherein it was found that the assessee Shri Amar Kantilal Mehta purchased Flat No.T8-3404 in the project 'Forest' from Runwal Group by making cash payment of Rs.30,00,000/-. Therefore, the case of the assessee was reopened u/s 147 of the IT Act by issuing notice u/s 148 of the IT Act on 31.03.2024. The assessee did not furnished return in response to above notice and not filed any reply to the notice issued u/s 142(1) of the IT Act. The Assessing Officer on the basis of blue coloured diary and on the basis of statement of Smt. Lucy Roy Choudhary from the Runwal Group held that the assessee Amar Kanti Lal Mehta has paid Rs.30,00,000/- in cash against the purchase of Flat No.T8-3404 project 'Forest' and vide order dated 28.03.2025 completed the assessment proceedings u/s 147 r.w.s. 144 of the IT Act by determining the income of the assessee at Rs.47,71,690/- as against the income of Rs.17,71,690/- returned by the assessee. The above assessed income includes addition of

Rs.30,00,000/- u/s 69 of the IT Act being cash paid for purchase of flat.

4. Being aggrieved with the above assessment order, the assessee preferred an appeal before Ld. CIT(A)/NFAC wherein it was claimed that the assessee namely Amar Kanti Lal Mehta expired on 24.05.2023 i.e. before the initiation of the reassessment proceedings and the fact of death of the assessee was duly informed to the Department through e-portal of Shruti Amar Mehta on 23.12.2023 who is the wife and legal heir of the assessee however, the notices were issued in the name of the deceased assessee, although the legal heir has communicated to the Department about the death of the assessee and no notice was issued to the legal representative even after having the knowledge of the death of the assessee. Apart from this, it was also argued that the addition of Rs.30,00,000/- u/s 69 of the IT Act was made merely on the basis of third party statements and documents seized from a third party without any opportunity of cross-examination to the assessee. It was also submitted before Ld. CIT(A)/NFAC that the assessment is *void ab initio* since it was passed in the name of a dead person. After considering the reply

and submissions of the assessee, Ld. CIT(A)/NFAC restored the matter back to the file of the Assessing Officer for fresh assessment after providing reasonable opportunity of hearing to the assessee, accordingly, the appeal was allowed for statistical purposes by Ld. CIT(A)/NFAC.

5. It is the above order against which the assessee is in appeal before this Tribunal.

6. We have heard Ld. Counsels from both the sides and perused the material available on record including the paper book furnished by the assessee. In this regard, we find that it is the alternative ground of the counsel of the assessee that the seized material referred by the Assessing Officer on page no.13 of assessment order does not contain the name of the assessee rather name of one Kamlesh Navsariwala and therefore, it was contented by the counsel of the assessee that the assessee has not paid any amount of Rs.30,00,000/- on 05.07.2019 as referred in the seized material relied on by the Assessing Officer and admittedly, the above amount was paid by one Kamlesh Navsariwala who is neither known to the assessee nor related to the assessee. It was also the

contention that Ms. Lucy Roy Choudhary in her statement never took the name of the assessee instead cash was claimed to be received from Mr. Kamlesh Navsariwala. Apart from above, it was also submitted by the counsel of the assessee that the impugned flat was purchased by the deceased assessee on 17.09.2021 i.e. during assessment year 2022-23. In support of its contention that the assessee has not paid any cash in connection with the purchase of flat and the Assessing Officer could not corroborate the name of the assessee with the payment of Rs.30,00,000/- mentioned in the seized material, Ld. Counsel of the assessee placed reliance on the decision of coordinate bench of this Tribunal in the case of Ashutosh Pandurang Patil vs. ITO, ITA No.1432/PUN/2026 order dated 24.06.2026 wherein the Tribunal under identical facts addition u/s 69A of the IT Act being cash paid as unexplained investment in the purchase of immovable property was deleted. Similar view has been taken by the coordinate bench of this Tribunal in the case of Abhishek Shivaji Gade vs. ITO, ITA No.467/PUN/2026 order dated 30.04.2026 wherein identical addition made u/s 69A of the IT Act has been deleted by observing as under :-

"4. We have heard both the parties and perused the records. In this case assessee is a salaried employee working with Government of India. During the year assessee has purchased a flat in Adreno Towers for a consideration of Rs. 71,51,120/-. Based on the search in the case of City Group ld. AO asked the assessee to explain the source of payment and asked assessee to explain whether any cash payment has been made. Assessee submitted source of payments. Assessee also denied any cash payment, however ld. AO based on the statement of Mr. Chetan which was recorded during the search in the case of City Group and based on the excel sheet concluded that assessee had paid cash of Rs. 2,50,000/- for purchase of flat. It is observed that the statement recoded during the search were retracted subsequently. This fact is mentioned by the ld. AO in the assessment order itself. It is also observed that the City Corporation Ltd had issued letter to all the buyers explaining the search and admitting that no cash was received. One such letter is at page No. 167 to 168 of the paper book. The ld. AO has not brought on record any specific positive evidence to prove cash of Rs. 2,50,000/-. Ld. AO has relied on excel sheet however the source of the excel sheet is not clear whether the said excel sheet has been prepared by the builder or any one else. It is also noted that opportunity of cross examination asked by assessee was not provided.

5.1 On identical facts by the decision of Coordinate Bench of ITAT in the case of Amit Shantaram Bagade in ITA Nos. 832 & 6286/Mum/2026, who has purchased the flats from City Group has deleted the addition.

5.2 The ld. AO has failed to establish that assessee had made any cash payments. Accordingly, respectfully following the decision of Coordinate Bench of ITAT in the case of Amit Shantaram Bagade (supra), we direct the AO to delete the addition of Rs. 2,50,000/-."

7. Respectfully following the above decisions of coordinate bench of this Tribunal (supra) and in the light of our above discussion, we are of the considered opinion that the Assessing Officer failed to brought any concrete evidence on record that the impugned amount of Rs.30,00,000/- was paid by the assessee and

therefore, we deem it appropriate to set-aside the order passed by Ld. CIT(A)/NFAC and direct the Assessing Officer to delete the addition of Rs.30,00,000/- made u/s 69 of the IT Act. Thus, the alternative ground raised by the assessee is allowed. Since we have allowed the appeal by adjudicating the alternative ground raised by the assessee during the course of hearing, other grounds raised by the assessee becomes infructuous hence not adjudicated by us.

8. In the result, the appeal filed by the assessee is allowed.

Order pronounced on this 14th day of October, 2026.

Sd/-	**Sd/-**
(MANISH BORAD)	**(VINAY BHAMORE)**
ACCOUNTANT MEMBER	**JUDICIAL MEMBER**

पुणे / Pune; दिनांक / Dated : 14th October, 2026.

Sujeet/DOC

Sujeet Kumar Sharma

Digitally signed by Sujeet Kumar Sharma
Date: 2026.10.15 10:24:07 +05'30'

आदेश की प्रतिलिपि अग्रेषित / Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The Pr. CIT concerned.
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "**SMC**" बेंच, पुणे / DR, ITAT, "**SMC**" Bench, Pune.
5. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

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Assistant Registrar
आयकर अपीलीय अधिकरण, पुणे / ITAT, Pune.