

आयकर अपीलीय अधिकरण, हैदराबाद पीठ
IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad 'B' Bench, Hyderabad

BEFORE SHRI VIJAY PAL RAO, VICE PRESIDENT
AND
SHRI MANJUNATHA G. ACCOUNTANT MEMBER

आ.अपी.सं / **ITA No.1716/Hyd/2025**
Assessment Year 2019-2020

Bandaru Chandra Sekhar, Jammalamadugu PO & Taluka, Kadapa Dist. PIN - 516 434. PAN AOZPB5357G	vs.	The Income Tax Officer, Ward-1, PRODDUTUR. PIN - 516 350. Andhra Pradesh.
(Appellant)		(Respondent)
निर्धारिती द्वारा / Assessee by:	CA K A Sai Prasad	
राजस्व द्वारा / Revenue by:	MS Kritika Jaiswal, Sr. AR	
सुनवाई की तारीख / Date of hearing:	17.12.2025	
घोषणा की तारीख / Pronouncement:	19.12.2025	

आदेश / ORDER

PER VIJAY PAL RAO, VICE PRESIDENT :

This appeal by the Assessee is directed against the Order dated 22.08.2025 of the learned CIT(A)-National Faceless Appeal Centre [in short "NFAC], Delhi, for the assessment year 2019-2020.

2. The assessee has raised the following grounds of appeal:

1. *“The order of the Learned First Appellate Authority is not correct either on facts or in law and in both*
2. *The Learned First Appellate Authority is not justified in dismissing the appeal on the grounds of delay in filing the appeal, rejecting the claim that reasons for delay were on account of ill health of the appellant, lack of knowledge of the assessment order and absence of timely communication of assessment order.*
3. *The Learned First Appellate Authority erred in not considering the contention of the appellant on merits and failed to adjudicate the addition made by the Assessing Officer amounting to Rs.3,00,000/- under the head "Income from Other sources".*
4. *The Learned First Appellate Authority erred in not considering the contention of the appellant that issuance of notice under section 148 by the local jurisdictional assessing officer is not legally valid and hence all further proceedings are equally bad in law.*
5. *The Appellant prays for leave to add or amend or alter any of the grounds at the time of hearing of appeal.”*

3. The assessee is an individual and a vendor selling clothes in villages on his two-wheeler. The assessee did not file any return of income for the year under consideration. The Assessing Officer reopened the assessment by issuing notice u/sec.148 of the Income Tax Act [in short "the Act"], 1961 on the basis of information of cash payment of Rs.10

lakhs for goods and services to the District Cooperative Central Bank Ltd., In the re-assessment order passed u/sec.147 r.w.s.144B of the Act, the Assessing Officer made an addition of Rs.3 lakhs to the income declared by the assessee in response to notice issued u/sec.148 of the Act. The assessee challenged the action of the Assessing Officer before the learned CIT(A), however, the appeal of the assessee was dismissed *in limine* being barred by limitation.

4. Before the Tribunal, the learned Authorised Representative of the Assessee has submitted that there was a delay of 156 days in filing the appeal before the learned CIT(A). The assessee has explained the cause of delay as recorded by the learned CIT(A) in para-5 of the impugned order. Thus, the learned Authorised Representative of the Assessee has submitted that the assessee was undergoing medical treatment for the ailments which has resulted in delay in filing the appeal. Further, the assessee was also not aware about the assessment order till the Recovery Officer in September 2024 informed the assessee about the outstanding tax demand. Thus, the learned Authorised

Representative of the Assessee has submitted that when the assessee has explained the cause of delay as the assessee was ill and undergoing the treatment, however, the learned CIT(A) has declined to condone the delay on the ground that assessee has not filed any supporting evidence being medical record or treatment certificate. The learned Authorised Representative of the Assessee has submitted that the assessee was not given an opportunity by the learned CIT(A) to submit the medical record and dismissed the appeal *in limine*. He has filed copy of the medical certificate in support of the reasons explained before the learned CIT(A) for the delay in filing the appeal. Thus, the learned Authorised Representative of the Assessee has prayed that the delay of 156 days in filing the appeal before the learned CIT(A) may be condoned.

5. On the other hand, the learned DR has submitted that the assessee has failed to substantiate the reasons for delay of 156 days in filing the appeal before the learned CIT(A) and consequently, the learned CIT(A) was not satisfied with

the cause of delay explained by the assessee. He has relied upon the order of the learned CIT(A).

6. We have considered the rival submissions and carefully perused the reasons explained by the assessee for the delay of 156 days in filing the appeal before the learned CIT(A). The same are reproduced by the learned CIT(A) in Para-5 of the impugned order as under:

"1. Reasons for Delay in Filing

- 1.1. I belong to a modest background and earn my livelihood by selling clothing items in rural villages using a two-wheeler. I do not have regular access to legal assistance or understanding of income-tax procedures.*
- 1.2. Unfortunately, I was under critical medical treatment from April 2024 to September 2024 for unstable angina (CAD) and long-standing diabetes mellitus. During this period, I experienced recurrent chest pain and other complications, which rendered me unable to attend to personal and legal matters. I was under continuous medical care by Dr. K. Rambabu, M.B.B.S., M.D. (General Medicine), at S.R.R. Nursing Home, Proddatur.*
- 1.4. It was only upon receiving a phone call from the Recovery Officer in September 2024, informing me about the outstanding tax demand, that I became aware of the assessment order passed in my case. Until then, I had no knowledge of the final order.*

1.5. *Immediately thereafter, my family contacted a tax professional in Proddutur, who referred the matter to a Chartered Accountant in Hyderabad who deals in appellate matters. After procuring the necessary documents, the present appeal was filed without any further delay on 21.09.2024.*

2. Bona Fide Circumstances:

2.1. *The delay was neither intentional nor deliberate, but arose due to genuine medical hardship, lack of knowledge, and absence of timely communication.*

2.2. *It is settled law that when substantial justice and technical considerations are pitted against each other, the cause of substantial justice deserves to be preferred. The Hon'ble Supreme Court and various High Courts have repeatedly held that liberal construction must be applied when delay is caused by bona fide and reasonable circumstances.*

Prayer:

In view of the above facts and circumstances the appellant humbly prays that the Hon'ble Commissioner of Income Tax (Appeals) may be pleased to condone the delay of 166 days and the appeal for adjudication on merits in the interest of justice.”

7. The learned CIT(A) declined to condone the delay by recording the reasons in Para nos.5.2 and 5.2.1 as under:

“5.2. *In the present case, there is a delay of 156 days in filing the appeal. The appellant, in his condonation petition, attributed the delay to medical treatment from April 2024 to*

September 2024 and further stated that he became aware of the assessment order only in September 2024 when informed by the Recovery Officer about the outstanding tax demand. The explanation offered by the appellant has been duly considered; however, it is not acceptable as the same has not been substantiated with any supporting documentary evidence.

5.2.1. *In the instant case, though the appellant has averred that he was under continuous medical treatment and was unaware of the assessment order, **no supporting documents such as medical records, treatment certificates, hospitalization details, or prescriptions have been furnished** either at the time of filing the appeal or along with the condonation petition.”*

8. Thus, for want of documentary evidence being medical certificate/treatment record/hospitalization record, the learned CIT(A) has declined to accept the reasons explained by the assessee and consequently, dismissed the appeal *in limine* being barred by limitation. It is manifest from the impugned order that the learned CIT(A) before dismissing the appeal has not given an opportunity of hearing to the assessee and, therefore, the assessee was deprived of an opportunity to furnish the supporting medical evidence for the reasons explained resulting the delay in filing the appeal before the learned CIT(A). The learned Authorised

Representative of the Assessee has filed a copy of the medical certificate dated 30.09.2024 issued by Dr. K. Rambabu, SRR Nursing Home, Proddutur, Kadapa District. Considering the reasons explained by the assessee before the learned CIT(A) which are also now supported by the medical certificate, we are satisfied that the assessee was having 'sufficient reasons' for the delay of 156 days in filing the appeal before the learned CIT(A). Accordingly, taking a lenient view in construing the sufficient reasons as explained by the assessee, we condone the delay of 156 days in filing the appeal before the learned CIT(A).

9. In ground no.4, the assessee has raised the issue of validity of the notice issued by the Jurisdictional Assessing Officer [in short "JAO"] u/sec.148 of the Act and consequent re-assessment order.

10. The learned Authorised Representative of the Assessee has submitted that the assessee has also raised this issue before the learned CIT(A) in ground no.2 as reproduced in para-3 of the impugned order. However, the learned CIT(A) has not adjudicated the said issue and dismissed the appeal

of the assessee in limine. He submitted that an identical issue has been decided by the Coordinate Bench of ITAT, Hyderabad Tribunal in favour of the assessee in the case of Vijay Kumar Kamdar, Adilabad vs., ITO, Ward-1, Adilabad in ITA.No.618/Hyd./2025 for the assessment year 2016-2017 vide order dated 08.10.2025 and relied on the order of the Tribunal.

11. On the other hand, the learned DR has relied upon the Orders of the authorities below and submitted that the issue is pending adjudication before the Hon'ble Supreme Court in the case of Hexaware Technology Ltd., in the SLP filed by the Department against the Judgment of Hon'ble High Court of Bombay and, therefore, the same may be kept in abeyance till the outcome of the SLP filed by the Department before the Hon'ble Supreme Court.

12. We have heard the learned Authorised Representative of the Assessee as well as the learned DR and considered the relevant material on record. At the outset, we note that the ITO, Ward-1, Proddutur has passed Order

u/sec.148A(d) dated 29.03.2023 and issued notice u/sec.148 of the Act dated 30.03.2023 as under:

		GOVERNMENT OF INDIA MINISTRY OF FINANCE INCOME TAX DEPARTMENT OFFICE OF THE INCOME TAX OFFICER ITO WARD-1,PRODDUTUR/	
To, CHANDRA SEKHAR BANDARU NO 2-5A-11 NEAR WATER TANK , MUDDANUR ROAD JAMMALAMADUGU PO & TALUKA KADAPA 516434 , Andhra Pradesh India			
PAN: AOZPB5357G	A.Y: 2019-20	Dated: 29/03/2023	DIN & Notice No: ITBA/AST/F/148A/2022-23/1051549102(1)
Name of the assessee	CHANDRA SEKHAR BANDARU		
Address of the assessee	NO 2-5A-11 NEAR WATER TANK , MUDDANUR ROAD JAMMALAMADUGU PO & TALUKA KADAPA 516434 , Andhra Pradesh India		
Email of the assessee			
Resident/ Not Ordinarily Resident/ Non-Resident	Resident		
Date of order	29/03/2023		
Name and Designation of Specified Authority	DURGESH SUMROTT PCIT, Tirupati		
Specified Authority approval date	28/03/2023		

Order under clause (d) of section 148A of the Income-tax Act,1961

As per the information flagged under Insight – RMS (Risk Management System) for the A.Y.2019-20, which is a Risk Management Strategy formulated by CBDT and made available to the AO through Insight Portal, it was found that the assessee Shri CHANDRA SEKHAR BANDARU has done following transactions during the F.Y.2018-19, relevant to the assessment year 2019-20.

Sl.No.	Information Code	Description	Source of Information	Amount in (Rs.)
1	SFT-013	Cash payments for goods and services	DISTRICT CO OPERATIVE CENTRAL BANK LIMITED KADAPA	1000000

2. Since the assessee has not filed the return of income and entered into high value transactions as mentioned above, and the information has been flagged in accordance with the Risk Management strategy formulated by Board, as per clause (i) of explanation (1) of section 148, the above information suggests that income chargeable to tax has escaped assessment.

3. Therefore, as per the provisions of section 148A of the Act, a letter under sub clause (a) of that section for conducting enquiry was issued on 10.02.2023 to the DISTRICT CO OPERATIVE CENTRAL BANK LIMITED KADAPA with the prior approval of PCIT being the specified authority designated for the purpose as per sub-section (i) of section 151 of the Act.

4. An opportunity of being heard as per the provisions of section 148A(b) of the Income Tax Act, 1961 was provided to the assessee by issuing a show cause notice vide **ITBA/AST/F/148A(SCN)/2022-23/1050023003(1) dated 22.02.2023**, wherein the assessee was requested to show cause as to why a notice u/s.148 of the Income Tax Act, 1961 should not be issued, on the basis of the said information. The above show cause notice has been served upon the assessee by speed post(EN926752775IN) on 27.02.2023.

5. As per the show-cause notice, the assessee was required to furnish reply on or before 01.03.2023. However, no reply has been furnished by the assessee to the show cause notice. In the absence of any response from the assessee, it is considered that the assessee has no explanation to offer and has no objection to the proposed issue of notice u/s 148 of the I.T.Act,1961.

6. Having regard to the information available which suggests that income chargeable to tax has escaped assessment and on the basis of material available on record as discussed in the preceding paragraphs, it is concluded that the case of Shri. CHANDRA SEKHAR BANDARU is a **fit case** for issuance of notice u/s 148 of the Act for the A.Y. 2019-20.

This order is passed with the prior approval of the Principal Commissioner of Income Tax, Tirupati.



VENKATA RAMANA POLA
ITO WARD-1,PRODDUTUR/

(In case the document is digitally signed please refer Digital Signature at the bottom of the page)



GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT
OFFICE OF THE INCOME TAX
OFFICER
ITO WARD-1,PRODDUTUR/

To,
CHANDRA SEKHAR BANDARU
NO 2-5A-11 NEAR WATER TANK ,
MUDDANUR ROAD JAMMALAMADUGU PO
& TALUKA
KADAPA 516434 , Andhra Pradesh
India

PAN: AOZPB5357G	A.Y: 2019-20	Dated: 30/03/2023	DIN & Notice No: ITBA/AST/S/148_1/2022- 23/1051685860(1)
--------------------	-----------------	----------------------	----------------------------------------------------------------

Notice under section 148 of the Income-tax Act,1961

Sir/Madam/ M/s.

- I have the following information in your case or in the case of the person in respect of which you are assessable under the Income tax Act, 1961(here in after referred to as "the Act") for Assessment Year **2019-20**
 - information in accordance with the risk management strategy formulated in this regard

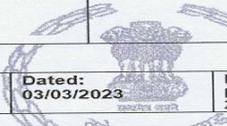
suggesting that income chargeable to tax has escaped assessment within the meaning of section 147 of the Act. Order under sub-section (d) of section 148A of the Act has been passed in such case vide DIN **ITBA/AST/F/148A/2022-23/1051549102(1)** dated **29/03/2023** and annexed herewith for reference,

- I, therefore, propose to assess or reassess such income or recompute the loss or the depreciation allowance or any other allowance or deduction for the Assessment Year **2019-20** and I, hereby, require you to furnish, within 30 days from the service of this notice, a return in the prescribed form for the Assessment Year **2019-20**.

VENKATA RAMANA POLA
ITO WARD-1,PRODDUTUR/

13. Thus, it is clear that the notice issued u/sec.148A(b), Order u/sec.148A(d) and notice u/sec.148 for reopening of the assessment were issued by the Jurisdictional Assessing Officer, without following the procedure as per the National Faceless Assessment Scheme. An identical issue has been considered by this Bench of Hyderabad Tribunal in the case of Vijay Kumar Kamdar, Adilabad vs., ITO, Ward-1, Adilabad (supra) in Para Nos.7 to 9 as under :

“7. We have considered the rival submissions as well as relevant material on record. The Assessing Officer has issued notice u/sec.148A(b) of the Act on 03.03.2023 which reads as under :

 GOVERNMENT OF INDIA MINISTRY OF FINANCE INCOME TAX DEPARTMENT OFFICE OF THE INCOME TAX OFFICER WARD 1,ADILABAD/			
To: VIJAY KUMAR KAMDAR 0 PROP: VIJAY OIL INDUSTRIES , ADILABAD ADILABAD 504001 , Telangana India			
PAN: AJMPK2305D	A.Y: 2016-17	Dated: 03/03/2023	DIN & Notice No: ITBA/AST/F/148A(SCN)/2022- 23/1050369100(1)
Notice under clause(b) of section 148A of the Income-tax Act,1961			
Sir/Madam/M/s			
Whereas I have information which suggests that income chargeable to tax for the Assessment Year 2016-17 has escaped assessment within the meaning of section 147 of the Income-tax Act, 1961. The details of the information/ enquiry conducted on which reliance is being placed, along with supporting documents, are enclosed with this notice.			
2. You are required to show-cause as to why, in view of the details contained in enclosures mentioned in point number 1 above, a notice section 148 of the Income tax Act, 1961 should not be issued.			
3. You may submit your reply to this notice, along with supporting documents (if any) on the above mentioned issues on or before 09/03/2023 electronically at www.incometax.gov.in .			
DURGAM PARTHASARATHI WARD 1,ADILABAD/			

7.1. Thus, it is clear that the said notice was issued by the Jurisdictional Assessing Officer. Thereafter, the Assessing Officer passed an order u/sec.148A(d) dated 22.03.2023 by holding that "he has satisfied that it is a fit case for issue of notice u/sec.148 of the Act". The same is reproduced as under:

		GOVERNMENT OF INDIA MINISTRY OF FINANCE INCOME TAX DEPARTMENT OFFICE OF THE INCOME TAX OFFICER WARD 1,ADILABAD/	
To, VIJAY KUMAR KAMDAR 0 PROP: VIJAY OIL INDUSTRIES , ADILABAD ADILABAD 504001 , Telangana India			
PAN: AJMPK2305D	A.Y: 2016-17	Dated: 23/03/2023	DIN & Notice No: ITBA/AST/F/148A/2022-23/1051160628(1)
Name of the assessee	VIJAY KUMAR KAMDAR		
Address of the assessee	0 PROP: VIJAY OIL INDUSTRIES , ADILABAD ADILABAD 504001 , Telangana India		
Email of the assessee	vinayakaginning@gmail.com		
Resident/ Not Ordinarily Resident/ Non-Resident	Resident		
Date of order	23/03/2023		
Name and Designation of Specified Authority	ATUL PRANAY PCCIT, AP & TELANGANA		
Specified Authority approval date	22/03/2023		
<u>Order under clause (d) of section 148A of the Income-tax Act,1961</u>			
In the case of VIJAY KUMAR KAMDAR (PAN AJMPK2305D) information is received in this office in INSIGHT Portal under High Risk CRIU/VRU - PAN Cases under Verification Module for the F.Y.2015-16 relevant to the A.Y.2016-17. The information received in the case is as under:-			

Related Person Detail

PAN	AJMPK2305D		
Name	KAMDAR VIJAYKUMAR NANDALAL		
Address	A/P-4-2-164 RANISATHI COLONY ADILABAD(ANDHRAPRADESH)		
Pincode			
Mobile		Email	

Packet Details

Case Packet Source	Search
Packet Source Description	Renumamata_Search
Primary Source PAN	AADAS7782D
Primary Source Name	Renumamata Multistate Co-Operative Urban Credit Society Limited
Address	
Mobile	
Email	

Information Details

S.No.	Source PAN	Source PAN Name	Information FY	Information Type	Information Value	Information Date	Remarks
1	AADAS7782D	Renumamata Multistate Co-Operative Urban Credit Society Limited	2015-16	Unaccounted Investment	19810465		Cash Deposits

2. As no bank statements are available in the INSIGHT portal, for the purpose of obtaining bank statements and causing other enquiries permission was sought for from the Pr.CCIT, AP& Telangana, Hyderabad for conducting enquiries u/s. 148A of the Income Tax Act, 1961 on 22-02-2023. Soon after receipt of permission from the Pr.CCIT on 22-02-2023. letter dated 22-02-2023 was addressed to M/s. RENUKA MATA MULTISTATE CO-OPERATIVE URBAN CREDIT SOCIETY LIMITED and the bank statement(s) for the F.Y. 2015-16 relevant to A.Y.2016-17 was obtained. As per the bank statement, there are total credits of Rs. 1,98,10,479 in the accounts of the assessee held with M/s. RENUKA MATA MULTISTATE CO-OPERATIVE URBAN CREDIT SOCIETY LIMITED.

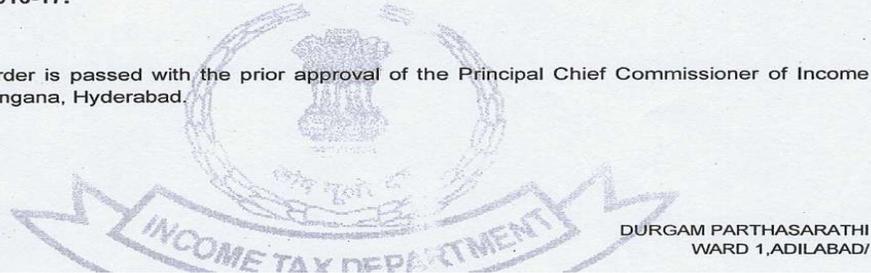
3. It is seen that in spite of entering into the above high value transaction(s) i.e. credits in the bank account during the F.Y.2015-16, the assessee did not disclose the cash credits in the return of income filed for A.Y.2016-17. Therefore for providing an opportunity of being heard as per provision of section 148A(b) of the Income Tax Act, 1961, a Notice under clause (b) of Section 148A of the Income-tax Act, 1961, was issued to the assessee vide DIN & Notice No:ITBA/AST/F/148A(SCN)/ 2022-23/1050369100(1) dated 03/03/2023 wherein the assessee was required to show-cause as to why Notice u/s.148 should not be issued on the basis of above information which suggests that income chargeable to tax has escaped assessment. The said Notice was served on the assessee on 03-03-2023 electronically.

4. The assessee was required to furnish reply to the Show Cause Notice issued on or before 09.03.2023. However, the assessee has sought for source information based on which show cause

notice issued. The assessee was provided the source information and was requested to furnish response to the show cause notice immediately. However, the assessee has not furnished response to the show cause notice till date.

5. In the absence of response to Show Cause, it is treated that the assessee has nothing to say and it is treated that the assessee has no objection for issue of Notice u/s. 148 for the A.Y.2016-17. Therefore, it has to be concluded that income in the form of asset i.e. Credits in the bank account(s) of Rs. 1,98,10,479 liable to tax has escaped assessment in this case for A.Y. 2016-17. In view of the above facts and on the basis of material available on record, I am satisfied that the case of VIJAY KUMAR KAMDAR (PAN AJMPK2305D) is a FIT CASE case for issuance of notice u/s 148 of the Act for A.Y. 2016-17.

6. This order is passed with the prior approval of the Principal Chief Commissioner of Income Tax, AP& Telangana, Hyderabad.



7.2. Thereafter, the Assessing Officer has issued notice u/sec.148 of the Act dated 23.03.2023 which reads as under :

 GOVERNMENT OF INDIA MINISTRY OF FINANCE INCOME TAX DEPARTMENT OFFICE OF THE INCOME TAX OFFICER WARD 1,ADILABAD/			
To, VIJAY KUMAR KAMDAR 4-2-391 SARI RANI SATIJI COL , GANDHI CHOWK ADILABAD , Andhra Pradesh India			
PAN: AJMPK2305D	A.Y: 2016-17	Dated: 23/03/2023	DIN & Notice No: ITBA/AST/S/148_1/2022- 23/1051160793(1)
Notice under section 148 of the Income-tax Act,1961			
Sir/Madam/ M/s.			
1. I have the following information in your case or in the case of the person in respect of which you are assessable under the Income tax Act, 1961(here in after referred to as "the Act") for Assessment Year 2016-17 <ul style="list-style-type: none"> information in accordance with the risk management strategy formulated in this regard suggesting that income chargeable to tax has escaped assessment within the meaning of section 147 of the Act. Order under sub-section (d) of section 148A of the Act has been passed in such case vide DIN ITBA/AST/F/148A/2022-23/1051160628(1) dated 23/03/2023 and annexed herewith for reference,			
2. I, therefore, propose to assess or reassess such income or recompute the loss or the depreciation allowance or any other allowance or deduction for the Assessment Year 2016-17 and I, hereby, require you to furnish, within 30 days from the service of this notice, a return in the prescribed form for the Assessment Year 2016-17.			
DURGAM PARTHASARATHI WARD 1,ADILABAD/			

7.3. It is manifest from the above notice as well as the Order u/sec.148A(d) of the Act that these proceedings were conducted by the Jurisdictional Assessing Officer and not in the Faceless manner as prescribed under the Income Tax Act. At the outset, we note that an identical issue has been considered by the Coordinate Bench of ITAT, Hyderabad in the case of *M/s. Pitti Holdings Pvt. Ltd., Hyderabad vs., ACIT, Central Circle-1(1), Hyderabad* in ITA.No.450/Hyd./2025 for the assessment year 2018-2019 vide Order even date wherein the Tribunal in paras 5 to 5.2 of its Order held as under :

“5. We have heard the Learned Authorised Representative and Learned Departmental Representative on this issue which is pending adjudication before the Hon’ble Supreme Court. Ld. AR has relied upon the judgment of Hon’ble jurisdictional High Court in the case of **Kanakala Ravindra Reddy Vs. ITO** 156 taxman.com 478 and submitted that the impugned reassessment order is not valid and liable to be set aside. Having considered the rival submissions as well as relevant material on record, at the outset we note that the coordinate bench of this Tribunal in the case of **Kanakala Ravindra Reddy Vs. ITO** (supra) has considered an identical issue vide order dated 04.09.2025 in para Nos.9 to 16 as under :

“9. We have considered the rival submissions as well as material on record. In the case of the assessee, notice u/sec.148A(b) was issued on

21.02.2023 by JAO. For ready reference, the same is reproduced as under :

10. Thereafter, the AO also passed an order u/s 148A(d) on 29.03.2023, wherein, the AO has recorded that, despite sufficient time allowed to the assessee in accordance with the provisions of section 148A(b) for compliance to the show cause notice dated 21.02.2023, there is no compliance on behalf of the assessee to the said show cause notice. The AO decided that it is a fit case for issue of notice u/s 148 of the Act and consequently notice u/s 148 was issued on 30.03.2023 as under :

 GOVERNMENT OF INDIA MINISTRY OF FINANCE INCOME TAX DEPARTMENT OFFICE OF THE ASSISTANT COMMISSIONER OF INCOME TAX CIRCLE 1, KARIMNAGAR			
To, KOTHA KANTHAIAH HNO 7-3-234 JANGAM WARD 8 , JANGAM RAMGUNDAM KARIMNAGAR 505208 , Andhra Pradesh India			
PAN: AQBPK7356C	A.Y: 2016-17	Dated: 30/03/2023	DIN & Notice No: ITBA/AST/S/148 1/2022- 23/1051671241(T)
Notice under section 148 of the Income-tax Act, 1961			
Sir/Madam/ M/s.			
1. I have the following information in your case or in the case of the person in respect of which you are assessable under the Income tax Act, 1961 (here in after referred to as "the Act") for Assessment Year 2016-17. <ul style="list-style-type: none"> • Information in accordance with the risk management strategy formulated in this regard suggesting that income chargeable to tax has escaped assessment within the meaning of section 147 of the Act. Order under sub-section (d) of section 148A of the Act has been passed in such case vide DIN ITBA/AST/F/148A/2022-23/1051563421(1) dated 29/03/2023 and annexed herewith for reference, 			
2. I, therefore, propose to assess or reassess such income or recompute the loss or the depreciation allowance or any other allowance or deduction for the Assessment Year 2016-17 and I, hereby, require you to furnish, within 30 days from the service of this notice, a return in the prescribed form for the Assessment Year 2016-17.			
LAXMI PAVANA GAYATHRI MUKKERA CIRCLE 1, KARIMNAGAR			

11. Undisputedly, the show cause notice u/s 148A(b) as well as notice u/s 148 were issued by the JAO and not by the faceless Assessing Officer. At the outset, we note that the Hon'ble Jurisdictional High Court has considered an identical issue in assessee's own case for the immediate preceding assessment year i.e. 2015-16 vide judgement dated 24.04.2025 in W.P.No.344 of 2025 and has recorded the issue involved in the said petition in para 4 of the said judgement as under :

"4. The contention of the petitioner is that the issue of proceedings being in violation of the Finance Act, 2021 ie., the impugned notices under Section 148A and Section 148 of the Act not being issued in a faceless manner, have already been dealt with and decided by this Court in the case of KANKANALA RAVINDRA REDDY vs. INCOME-TAX OFFICER decided on 14.09.2023 whereby a batch of writ petitions were allowed and the proceedings initiated under Section 148A as also under Section 148 of the Act were held to be bad with consequential reliefs on the ground of it being in violation of the provisions of Section 151A of the Act read with Notification 18/2022 dated 29.03.2022. The said judgment passed by this Court has also been subsequently followed in a large number of writ petitions which were allowed on similar terms.

12. It was further noted by the Hon'ble jurisdictional High Court that this issue has been decided against the Revenue by various High Courts and the details of all the judgements of various High Courts are given in para 5 of the said judgement as under:

“5. Down the line, we find that the same issue has also been decided against the Revenue by various High Courts i.e.. by the Bombay High Court in the case of *HEXAWARE TECHNOLOGIES LTD., vs. ASSISTANT COMMISSIONER OF INCOME TAX & OTHERS*, Gauhati High Court in the case of *RAM NARAYAN SAH vs. UNION OF INDIA*', Punjab and Haryana High Court in the case of *JATINDER SINGH BANGU vs. UNION OF INDIA*, and Telangana High Court in the case of *SRI VENKATARAMANA REDDY PATLOOLA vs. DEPUTY COMMISSIONER OF INCOME TAX* where the issue was in respect of international taxation, Bombay High Court in the case of *ABHIN ANILKUMAR SHAH vs. INCOME TAX OFFICER, INTERNATIONAL TAXATION* which again on is international taxation and central circle, High Court of Himachal Pradesh in the case of *GOVIND SINGH vs. INCOME TAX OFFICER*, Gujarat High Court in the case of *MANSUKHBHAI DAHYABHAI RADADIYA VS. INCOME TAX OFFICER, WARD 3(3)(5)*", Jharkand High Court in the case of *SHYAM SUNDAR SAW vs. UNION OF INDIA*", Rajasthan High Court in the case of *SHARDA DEVI CHHAJER vs. INCOME TAX OFFICER & ANOTHER* and batch of writ petitions" which stood decided on 19.03.2024. Similar views have also been taken by the Division Bench of

Calcutta High Court in the case of GIRDHAR GOPAL DALMIA vs. UNION OF INDIA & ORS (M.A.T 1690 of 2023), decided on 25.09.2024.”

13. *In light of various judgements of the Hon'ble High Courts, including the judgement of the jurisdictional High Court in the case of Kankanala Ravindra Reddy Vs. Income Tax Officer [2024] 156 taxmann.com 478 (Gauhati), the Hon'ble High Court has held in para 13 to 19 as under:*

“13. Another aspect which needs to be considered is that in fact it should have been realized by the Income Tax Department itself and should have found out via media in ensuring that proceedings under Sections 148-A and 148 should not have been issued in a faceless manner, at least till the Hon'ble Supreme Court decide the twelve hundred (1200) odd SLPs which it is already seized of or, at least the Income Tax Department should have found out some remedial steps to ensure that wherever the authorities intend to initiate proceedings under Sections 148-A and 148, other than in a faceless manner, the proceedings should have been deferred without precipitating the matter further intimating the assessee that they shall initiate appropriate proceedings only after the SLP's are decided by the Hon'ble Supreme Court on the very same issue. This again, the Income Tax Department, has not been able to give a convincing reply, except for the fact that such a decision if at all has to be taken, has to be taken for the whole of India, and which otherwise has to be by way of a policy decision and that too at the level of Central Board of Direct Taxes.

Though the learned Standing Counsel for the Income Tax Department contended that the Delhi High Court dismissed a writ petition of similar nature, on the one hand when the High Court is struggling to reduce its pendency, such notices which are under challenge in this writ petition are forcing the assessee to knock the doors of this High Court resulting in filing of hundreds of new writ petitions which in the long run not only affects the disposal of the writ petitions but also consumes substantial time of the Bench in hearing these matters again and again on daily basis. Admittedly, in spite of the matter before the Hon'ble Supreme Court having been taken on many occasions, the Hon'ble Supreme Court which is seized of the matter has been reluctant in granting any interim protection to the Income Tax Department. Yet, the authorities concerned at the State level are not ready to accept the verdict passed by a majority of High Courts of different States on the same issue; and to make things further worse, the Income Tax Department is showing audacity by issuing notices continuously under Sections 148-A and 148 through the jurisdictional Assessing Officer whereas it ought to have been only in the faceless manner.

14. *In the case of BANK OF INDIA vs. ASSISTANT COMMISSIONER, INCOME TAX", on an issue whether it was justifiable on the part of the Income Tax Department in not following an order passed by the adjudicating authority only on the ground that the appeals are pending,*

the Division Bench of the High Court of Bombay held at paragraph No.25 as under, viz.,:

"25. Mr. Paridwalla has rightly drawn out attention to the decision of this Court in Commissioner of Income Tax vs. Smt. Godavaridevi Saraf¹ as also the recent decision of the co-ordinate Bench of this Court in Samp Furniture (P) Ltd. v. ITO of which one of us (Justice G.S. Kulkarni) was a member, wherein the Court categorically observed that the Revenue having not "accepted" the judgment of the High Court would not mean that till the same is set aside in a manner known to law, it would lose its binding force. Referring to the decision of the Supreme Court in Union of India vs. Kamlakshi Finance Corporation Ltd.", the Court observed that the approach of the officials of Revenue of treating decisions being "not acceptable" was criticized by the Supreme Court. In such decision, following are the relevant observations made by the Supreme Court.

[(2025) 170 taxmann.com 422 (Bombay)] 12 [1978] 113 ITR 589 (Bombay) 13 [2024] 165 taxmann.com 581/300 Taxman 452 (Bombay) 14 [1992] taxmann.com 16/55 ELT 433 (SC)

"6. Sri Reddy is perhaps right in saying that the officers were not actuated by any mala fides in passing the impugned orders. They perhaps genuinely felt that the claim of the assessee was not tenable and that, if it was accepted, the Revenue would suffer. But what Sri Reddy overlooks is that we are not concerned here with the correctness or otherwise of their conclusion or of any factual malafides but with the fact that the officers, in

reaching In their conclusion, by-passed two appellate orders in regard to the same issue which were placed before them, one of the Collector (Appeals) and the other of the Tribunal. The High Court has, in our view, rightly criticized this conduct of the Assistant Collectors and the harassment to the assessee caused by the failure of these officers to give effect to the orders of authorities higher to them in the appellate hierarchy. It cannot be too vehemently emphasized that it is of utmost importance that, in disposing of the quasi-judicial issues before them, revenue officers are bound by the decisions of the appellate authorities. The order of the Appellate Collector is binding on the Assistant Collectors working within his jurisdiction and the order of the Tribunal is binding upon the Assistant Collectors and the Appellate Collectors who function under the jurisdiction of the Tribunal. The principles of judicial discipline require that the orders of the higher appellate authorities should be followed unreservedly by the subordinate authorities. The mere fact that the order of the appellate authority is not "acceptable" to the department in itself an objectionable phrase and is the subject matter of an appeal can furnish no ground for not following it unless its operation has been suspended by a competent court. If this healthy rule is not followed, the result will only be undue harassment to assesses and chaos in administration of tax laws.

... ..

12. *We have dealt with this aspect at some length, because it has been suggested by the learned Additional Solicitor General that the observations made*

by the High Court, have been harsh on the officers. It is clear that the observations of the High Court, seemingly vehement, and apparently unpalatable to the Revenue, are only intended to curb a tendency in revenue matters which, if allowed to become widespread, could result in considerable harassment to the assesses-public without any benefit to the Revenue. We would like to say that the department should take these observations in the proper spirit. The observations of the High Court should be kept in mind in future and the utmost regard should be paid by the adjudicating authorities and the appellate authorities to the requirements of judicial discipline and the need for giving effect to the orders of the higher appellate authorities which are binding on them."

15. *What is worrying this Bench more is the fact that an endeavour is being made whole heartedly to ensure not to generate further litigation on issues which have been laid to rest by a large number of High Courts all of whom have taken a consistent stand that the action of the Income Tax Department being violative of the Finance Act, 2020 and Finance Act, 2021. Now, in order to protect the interest of the Revenue as also that of the assessee, it would be trite at this juncture, if we dispose of the writ petition with an observation/direction that the disposal of the instant writ petition in terms of the judgment rendered by this High Court in the case of Kankanala Ravindra Reddy (1 supra) shall however be subject to the outcome of the SLPs which were filed by the Income Tax Department and which is pending consideration before the Hon'ble Supreme Court.*

16. *In the given facts and circumstances, this Bench is of the considered opinion that unless and until we do not timely dispose of matters which are squarely covered by the decision of this Court and which stands fortified by the decisions of the various other High Courts on the very same issue, the pendency of this High Court would further be burdened which otherwise can be decided and disposed of as a covered matter.*

17. *So far as the interest of the Revenue is concerned, we are of the considered opinion that the interest of the Revenue has already been considered and protected, as has been observed in paragraphs 36, 37 and 38 of the order which, for ready reference, is reproduced hereunder:*

“36. For all the aforesaid reasons, the impugned notices issued and the proceedings drawn by the respondent-Department is neither tenable, nor sustainable. The notices so issued and the procedure adopted being per se illegal, deserves to be and are accordingly set aside/ quashed. As a consequence, all the impugned orders getting quashed, the consequential orders passed by the respondent-Department pursuant to the notices issued under Section 147 and 148 would also get quashed and it is ordered accordingly. The reason we are quashing the consequential order is on the principles that when the initiation of the proceedings itself was procedurally wrong, the subsequent orders also gets nullified automatically.

37. *The preliminary objection raised by the petitioner is sustained and all these writ petitions stands allowed on this very jurisdictional issue. Since the*

impugned notices and orders are getting quashed on the point of Jurisdiction, we are not inclined to proceed further and decide the other issues raised by the petitioner which stands reserved to be raised and contended in an appropriate proceedings.

38. *Since the Hon'ble Supreme Court had, in the case of Ashish Agarwal, supra, as a one-time measure exercising the powers under Article 142 of the Constitution of India, permitted the Revenue to proceed under the substituted provisions, and this Court allowing the petitions only on the procedural flaw, the right conferred on the Revenue would remain reserved to proceed further if they so want from the stage of the order of the Supreme Court in the case of Ashish Agarwal, supra."*

18. *We would only further like to make observations that since we are inclined to dispose of the instant writ petition, conscious of the fact that the earlier order of this High Court in the case of Kanakala Ravindra Reddy (1 supra) is subjected to challenge before the Hon'ble Supreme Court in SLP No.3574 of 2024, preferred by the Income Tax Department, we make it clear that allowing of the instant writ petition is subject to outcome of the aforesaid SLP preferred by the Revenue against the decision of this High Court in the case of Kanakala Ravindra Reddy (1 supra). This, in other words, would mean that either of the parties, if they so want, may move an appropriate petition seeking revival of this writ petition in the light of the decision of the Hon'ble Supreme Court in the pending SLP on the very same issue.*

19. *Accordingly, the instant writ petition stands allowed in favour of the assessee so far as the issue of jurisdiction is concerned. As a*

consequence, the impugned notice under challenge under Sections 148-A and 148 stands set aside/quashed. The consequential orders, if any, also stand set aside/quashed in similar terms as have been passed by this High Court in the case of Kankanala Ravindra Reddy (1 supra). There shall be no order as to costs.

Consequently, miscellaneous petitions pending, if any, shall stand closed.

14. *Thus, it is clear that the issue raised by the assessee in the present appeal is now covered by the decision of Hon'ble Jurisdictional High Court in the assessee's own case for the A.Y.2016-17. As regards the contention of the Ld.DR that no such issue was raised by the assessee before the authorities below, we find from the Grounds of Appeal raised before the CIT(A) that the assessee had raised this issue in ground No.2 to 5 as under :*

"2. On the facts and in the circumstances of the case and in law, the Jurisdictional Assessing Officer erred by initiating proceedings u/s 147 of the Act, simply relied on the SFT information shown in the verification module of Insight Portal at the time of reopening, however, either no information gathered or not conducted any Inquiry further in order to form an honest, and a reasonable belief that certain income had escaped assessment in the case of the appellant, As such, said proceedings and the consequent order ought to be declared full and void-ab-Initio.

3 *The Notice issued up 148 of the Act, 1901dated 30.03.2023 is illegal and unsustainable in law since the income alleged to have escaped assessment, actually is far below the threshold limit of Rs50 Lacs in the present case, it is actually*

Rs.30.61,000/- only and thereby, barred by limitation under the provisions of section 149(1) (a) of the Act. Since the impugned notice issued u/s.148 of the LT Act, 1961 dated 30.03.2023, legal and unsustainable in law, accordingly, the impugned reassessment order u/s.147 r.w.s.144B of the Act dated 01.03.2024 and the notice of demand dated 01.03.2024 Issued u/s 158 of the Act are also bad in law and unsustainable and the same, is hereby, quashed and set aside.

4 *On the facts and in the circumstances of the case and in law, the Assessment Unit/NaFAC erred by making the additions without supplying the relevant documents or tangible material to the appellant and without obtaining the bank account statement(s) relied on which the case was reopened by the JAO, as such, said proceedings and the consequent order ought to be declared null and void-ab-Initio.*

5. *On the facts and in the circumstances of the case and in law, the Jurisdictional Assessing Officer erred in the proceedings Initiated u/s 147 of the Act without following due procedure prescribed by CBDT vide Instruction No F.No.299/ 10/2022-Dir(Inv.1)/647 dt., 22.08.2022 and accordingly the said proceedings and the consequent order ought to be declared null and void ab initio."*

15. *In view of the facts emanating from the record, we find that the assessee has duly raised this issue before the CIT(A) and therefore, the contention raised by the Ld.DR is devoid of any merit. Accordingly, the show cause notice issued u/s 148A(b) dated 21.02.2023 as well as notice issued u/s 148 dated 30.03.2023 by the JAO are not valid and liable to be quashed. We order accordingly.*

16. *However, since the matter is pending adjudication before the Hon'ble Supreme Court and Hon'ble High Court has also given the liberty to the parties to move an appropriate petition, seeking revival of W.P. in light of judgement of Hon'ble Supreme Court on this very issue, we also grant liberty to the parties to get this appeal revived, if, in case the judgement of the Hon'ble Supreme Court on this issue necessitate to modify this order."*

5.1. *In the case in hand it is not disputed that the notice u/s. 148 of the Act was issued by the JAO and not by the Faceless Assessing Officer. By following the judgment of Hon'ble jurisdictional High Court in the case of Kotha Kanthaiiah dated 24.04.2025 in Writ Petition No.344 of 2025 as well as the decision of co-ordinate bench of this Tribunal (supra), we hold that the notice issued u/s. 148A(b) of the Act as well as the decision of co-ordinate bench as well as u/s. 148 of the Act in the case of the assessee by the JAO are not valid and liable to be set aside. We order accordingly.*

5.2. *Since the matter is pending adjudication before the Hon'ble Supreme Court and the Hon'ble High Court in the case of Kotha Kanthaiiah (supra) has also given the liberty to the parties to move an appropriate petition seeking revival of the petition in the light of judgement of Hon'ble Supreme Court on this very issue, therefore, we grant the liberty to the parties to get this appeal revived, if judgment of Hon'ble Supreme Court on this issue necessitate to modify this order.*

7.4. *Thus, it is clear that the Hon'ble Jurisdictional High Court for the State of Telangana has taken a consistent view that the notice u/sec.148 of the Act by the Jurisdictional Assessing Officer is not valid and liable to be set-aside/quashed. We, therefore, by respectfully following*

the Judgment of Hon'ble Jurisdictional High Court for the State of Telangana as well as the decisions of this Tribunal (supra), we hold that, the notice issued by the Jurisdictional Assessing Officer u/sec.148A(b) dated 03.03.2023 as well as notice issued u/sec.148 dated 23.03.2023 are not valid and liable to be quashed. We order accordingly.

8. *Further, since the issue is pending for adjudication before the Hon'ble Supreme Court in the SLP filed by the Department in the case of Hexaware Technology Ltd., against the Judgment of Hon'ble High Court of Bombay and the Order of Hon'ble Jurisdictional High Court for the State of Telangana in the case of Kotha Kanthaiah, Karimnagar in WP.No.344 of 2025, dated 24.04.2025 (supra) has also given the liberty to the parties to move an appropriate petition seeking revival of the petition in light of Judgment of Hon'ble Supreme Court in the case of Hexaware Technology Ltd., (supra) on this issue. Therefore, we grant liberty to the parties to get this appeal revived, if the Judgment of Hon'ble Supreme Court on this issue necessitates to modify this Order. Accordingly, grounds of appeal nos.2 to 6 are allowed.*

9. *Since we have quashed the notice issued u/sec.148 of the Act and consequently, vitiates the re-assessment order passed by the Assessing Officer. Therefore, we do not propose to adjudicate the other grounds of appeal raised by the assessee on the merits of the additions.”*

14. Respectfully following the Judgment of Hon'ble Jurisdictional High Court as relied upon by this Tribunal in the earlier Order (supra) as well as to maintain rule of consistency, we decide this issue in favour of the assessee by holding that the notice issued u/sec.148 of the Act by the JAO without following the procedure provided under National Faceless Assessment Scheme is invalid and liable to be quashed. We Order accordingly.

15. Since the matter is pending adjudication before the Hon'ble Supreme Court in the case of Hexaware Technology Ltd., therefore, the parties are at liberty to get this appeal revived as per the outcome of the SLP on the same issue pending adjudication before the Hon'ble Supreme Court. Since, we have quashed the notice issued u/sec.148 of the Act, it also vitiates the re-assessment order passed by the Assessing Officer, therefore, we do not propose to other grounds which are also not pressed by the learned Authorised Representative of the Assessee at this stage and prayed

for keeping the same open, if need arises. Hence, the other issues raised by the assessee are kept open.

16. In the result, appeal of the Assessee is allowed.

Order pronounced in the open Court on 19th day of December, 2025.

Sd/-
[MANJUNATHA G.]
ACCOUNTANT MEMBER

Sd/-
[VIJAY PAL RAO]
VICE PRESIDENT

Hyderabad, Dated 19th December, 2025

VBP

Copy to :

1.	Bandaru Chandra Sekhar, Jammalamadugu PO & Taluka, Kadapa Dist. PIN – 516 434. Andhra Pradesh C/o. Katrapati & Associates, 1-1-298/2/B/3, Sowbhagya Avenue Apts. 1 st Floor, Ashok Nagar, Street No.1, Hyderabad – 500 020. Telangana.
2.	The Income Tax Officer, Ward-1, Vasanthapeta, PRODDUTUR – 516 350. Andhra Pradesh.
3.	The Pr. CIT, Kurnool.
4.	The DR, ITAT, “B” Bench, Hyderabad.
5.	Guard file.

BY ORDER

//True copy//