

आयकर अपीलीय अधिकरण, 'ए' न्यायपीठ, चेन्नई  
IN THE INCOME-TAX APPELLATE TRIBUNAL 'A' BENCH, CHENNAI  
श्री एस.एस. विश्वनेत्र रवि, न्यायिक सदस्य एवं सुश्री एस.पद्मावती,, लेखा सदस्य के समक्ष  
Before Shri S.S. Viswanethra Ravi, Judicial Member &  
Ms. S. Padmavathy, Accountant Member

आयकर अपील सं./I.T.A. No.2191/Chny/2025  
निर्धारण वर्ष/Assessment Year: 2019-20

C-2016 Itchiputhur Primary Agricultural Vs. The Income Tax Officer,  
Coop. Credit Society, 12<sup>th</sup> Road, Ward 1,  
Itchiputhur Village, Arakkonam Tk, Vellore.  
Vellore 631 003.

**[PAN: AABAC1870C]**

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से / Appellant by : Shri J. Saravanan, Advocate  
प्रत्यर्थी की ओर से/Respondent by : Ms. Babitha, JCIT  
सुनवाई की तारीख/ Date of hearing : 11.12.2025  
घोषणा की तारीख /Date of Pronouncement : 17.12.2025

**आदेश /O R D E R**

**PER S.S. VISWANETHRA RAVI, JUDICIAL MEMBER:**

This appeal filed by the assessee is directed against the order dated 30.05.2025 passed by the Id. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre [NFAC], Delhi for the assessment year 2019-20.

2. We find that this appeal is filed with a delay of 5 days. The assessee filed an affidavit for condonation of delay stating the reasons. Upon hearing both the parties and on examination of the said affidavit, in

the interest of justice, we condone the delay and admitted the appeal for adjudication.

3. When the appeal was taken up for hearing, the Id. AR Shri J.Saravanan, Advocate drew our attention to the application dated 08.12.2025, which was filed with ITAT Registry on 09.12.2025 and submits that the assessee raised additional ground of appeal challenging assumption of jurisdiction under section 147 of the Income Tax Act, 1961 ["Act" in short] and passing assessment order under section 147 r.w.s. 144 of the Act, which is not in accordance with the provisions of law. The Id. AR submits that it is a legal ground, which goes to the root of the case, raised for the first time before the Tribunal. He argued that the said legal ground can be raised at any stage of the proceedings including this Tribunal and placed reliance on the decision of the Hon'ble Supreme Court in the case of National Thermal Power Company Ltd. Reported in 223 ITR 383 (SC). He prayed to admit the said ground and proceed to decide the said issue as preliminary ground.

4. The Id. DR Ms. Babitha, JCIT submits that the assessee having participated before the Assessing Officer and the Id. CIT(A) did not raise the same before the said authorities. She argued that it requires examination of the facts and prayed to dismiss the said ground.

5. Having heard both the parties, we note that the Hon'ble Supreme Court in the case of National Thermal Power Company Ltd. (supra) was pleased to hold that the legal ground can be raised at any stage of the proceedings including this Tribunal. The Id. DR did not dispute the decision of the Hon'ble Supreme Court and we find no new facts are required to be examined and therefore, we proceed to admit additional ground.

6. The assessee raised following additional ground, and the same is reproduced herein below:

*G. For that the Id. CIT(A) ought to have noted that the issue of notices u/s 148A(b) and 148 of the Act and passing of order u/s. 148A(d) of the Act, all by the Jurisdictional Assessing Officer (JAO) after 29.03.2022, are invalid, and consequently the whole reassessment proceedings are liable to be quashed.*

7. The Assessing Officer noted that the assessee has made cash deposits of ₹.22.4 lakhs in its bank account during the FY 2018-19 relevant to AY 2019-20 and the assessee has not filed its return of income. The Jurisdictional Assessing Officer (JAO) issued notice under section 148A(b) of the Act, but, however, there was no reply from the assessee. Consequently, the case of the assessee was reopened by issuing statutory notice under section 148 of the Act dated 29.03.2023 and in response, the assessee filed return of income declaring total income at ₹.23,74,370/-. In response to the notice under section 142(1) of

the Act, the reply furnished by the assessee are reproduced at para 3.1 of the assessment order. The Assessing Officer noted that the assessee has claimed deduction under section 80P(2)(a)(i) of the Act of ₹.23,74,370/- for banking/credit facilities to its members. Since the assessee has not filed original ITR under section 139(1) of the Act, which was filed the same for the first time in response to the notice under section 148 of the Act, the Assessing Officer disallowed the claim of deduction under section 80P(2)(a)(i) of the Act and assessed the same as income of the assessee. The Id. CIT(A) confirmed the addition made by the Assessing Officer.

8. The Id. AR drew our attention to page 5, 8 & 10 of the paper book and submits that the notice under section 148A(b) of the Act dated 24.01.2023, order under section 148A(d) of the Act dated 29.03.2023 and notice under section 148 of the Act respectively are issued by the jurisdictional Assessing Officer. He also drew our attention to the assessment order dated 13.02.2024 under section 147 r.w.s. 144B of the Act passed by the Faceless Assessing Officer. The Id. AR vehemently argued that the assessment order passed by the Faceless mechanism [Assessing Officer] is bad in law in terms of the decision of the Hon'ble High Court of Madras in the case of TVS Credit Services Ltd. v. DCIT

[2025] (8) TMI 217 dated 24.06.2025 and prayed to quash the assessment order passed by the Assessment Unit of NFAC.

9. The Id. DR supported the order passed the Assessing Officer.

10. We have heard both the parties and perused the material available on record. In this case, we note that the assessment order under section 147 r.w.s. 144B of the Act was passed by the assessment unit of NFAC. Further, we note that the notice under section 148 of the Act was issued by the Jurisdictional Assessing Officer and also passed order under section 148A(d) of the Act. On perusal of the decision of the Hon'ble High Court of Madras in the case of TVS Credit Services Ltd. v. DCIT (supra), we note that the Hon'ble High Court was pleased to hold that the assessment made by the assessment unit of NFAC is not valid if the order and notice under section 148A(d)/148 of the Act issued by the Jurisdictional Assessing Officer, but, however, liberty was given to the Revenue to re-ignite the case if the Hon'ble Supreme Court interferes with the decision of the Hon'ble High Court of Bombay in the case of Hexaware Technologies Ltd. V. ACIT 464 ITR 430 (Bombay). Accordingly, we hold that the assessment order dated 22.03.2023 passed by the assessment unit of NFAC is bad in law and it is quashed. Accordingly, the additional legal ground in "G" raised by the assessee on

assumption jurisdiction is allowed and in view of our decision in the additional ground No. G, other grounds become academic requiring no adjudication.

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

Order pronounced on 17<sup>th</sup> December, 2025 at Chennai.

Sd/-  
(S. PADMAVATHY)  
ACCOUNTANT MEMBER

Sd/-  
(S.S. VISWANETHRA RAVI)  
JUDICIAL MEMBER

Chennai, Dated, 17.12.2025

Vm/-

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant,
2. प्रत्यर्थी/ Respondent,
3. आयकर आयुक्त/CIT, Chennai/Madurai/Coimbatore/Salem
4. विभागीय प्रतिनिधि/DR &
5. गार्ड फाईल/GF.