आयकर अपीलीय अधिकरण, हैदराबाद पीठ

IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad ' B ' Bench, Hyderabad

श्री रविश सूद,न्यायिक सदस्य एवं श्री मधुसूदन सावड़िया लेखा सदस्य समक्ष|

Before Shri Ravish Sood, Judicial Member
A N D
Shri Madhusudan Sawdia, Accountant Member

Appeal in ITA	**Assessee**	**Revenue**	**A.Y**
1317/Hyd/2025	Smt. Lingamgunta Adilaxmi, Secunderabad PAN:AMNPL4940M	Income Tax Officer Ward 10 (1) Hyderabad	2015-16
915/Hyd/2025	Shri Raghu Alekh Barli Hyderabad PAN:AHJPA1085F	Dy. CIT Circle 6(1) Hyderabad	2018-19
1487/Hyd/2025	Sanzyme Private Ltd Hyderabad PAN:AAACU2692R	Dy. CIT Circle 3(1) Hyderabad	2019-20
1606/Hyd/2025	Shri Bikaram Pushpender, Hyderabad PAN: CEBPP4471F	Income Tax Officer Ward 9(1) Hyderabad	2018-19

निर्धारिती द्वारा/Assessee by:	Advocates Shri S. Rama Rao & Sashank Dundu and C.A. Kumar Pal Tated
राजस्व द्वारा/Revenue by::	Shri Waseem UR Rahman, Sr. DR
सुनवाई की तारीख/Date of hearing:	03/12/2025 & 04/12/2025
घोषणा की तारीख/Pronouncement:	24/12/2025

आदेश/ORDER

Per Madhusudan Sawdia, A.M.:

These four appeals are filed by the above assessees feeling aggrieved by the separate orders passed by the Learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi ("Ld. CIT(A)") for the A.Ys 2015-16, 2018-19 and 2019-20 respectively. Since common issues are involved in all these four appeals, for the sake of convenience, these were heard

together and are being disposed of by this common consolidated order.

ITA No.1317/Hyd/2025:

2. At the outset, we observed that there is a delay of 21 days in filing of the appeal before the Tribunal. The assessee has filed a condonation petition accompanied by a copy of affidavit explaining the reasons which led to the delay in filing the appeal. The Learned Authorized Representative ("Ld. AR") submitted that the order of the Ld. CIT(A) was passed on 27.05.2025. Accordingly, the assessee was required to file the appeal before this Tribunal on or before 31.07.2025. However, the appeal was filed on 21.08.2025, resulting in a delay of 21 days. The Ld. AR submitted that the assessee was suffering from dengue fever with effect from 25.07.2025. Due to the said illness, the assessee was under continuous medical supervision and was advised three weeks of complete rest. In support of this contention, a medical certificate issued by the treating hospital has been placed on record. It was therefore submitted that the delay was neither intentional nor deliberate, and there was no element of mala fide or negligence on the part of the assessee. The Ld. AR accordingly prayed that the delay be condoned and the appeal be admitted for adjudication on merits.

3. Per contra, the Learned Departmental Representative ("Ld. DR") did not raise any serious objection to the condonation of delay.

4. We have carefully considered the submissions of both parties and perused the material placed on record. On perusal of

the medical certificate and the affidavit filed by the assessee, we are satisfied that the assessee was prevented by reasonable and sufficient cause from filing the appeal within the prescribed period of limitation. In the absence of any mala fide intention or deliberate inaction and keeping in view the principles laid down by the Hon'ble Supreme Court that substantial justice should prevail over technical considerations, we are inclined to condone the delay of 21 days. Accordingly, the delay in filing the appeal is hereby condoned, and the appeal is admitted for adjudication on merits.

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

1. The order of the learned Commissioner of Income-Tax (Appeals) is erroneous to the extent it is prejudicial to the appellant.

2. The learned Commissioner of Income-Tax (Appeals) erred in confirming the action of the Assessing Officer in initiating the proceedings u/s 147 of the I.T. Act. The learned CIT (Appeals) ought to have held that the initiation of proceedings u/s 147 is not valid as the notice was issued by the ITO, Ward-10(1), Hyderabad who has no jurisdiction.

3. The learned Commissioner of Income-Tax (Appeals) ought to have held that the notice was not issued by the appropriate authority and that such notice was issued beyond three years from the end of the Assessment year where the income escaping assessment is less than Rs.50 lakhs and is not in accordance with the provisions of Sec.149 of the I.T. Act.

4. The learned Commissioner of Income-Tax (Appeals) erred in confirming the addition of Rs.8,99,000/- out of the total amount of Rs.13,99,000/- deposited into the bank during the previous year 2014-15.

5. The learned Commissioner of Income-Tax (Appeals) ought to have accepted the explanation for the deposit of Rs.8,99,000/- made by the appellant.

6. Any other ground that may be urged at the time of hearing.

APPELLANT

6. The brief facts of the case are that the assessee had filed an appeal before the Ld. CIT(A) against the order of the Learned Assessing Officer ("Ld. AO") passed for Assessment Year 2015-16 under Section 147 r.w.s. 144 of the Income Tax Act, 1961("the Act"), dated 22.02.2024. The Ld. CIT(A) dismissed the appeal of the assessee.

7. Aggrieved by the order of the Ld. CIT(A), the assessee is in further appeal before this Tribunal. At the outset, we observe that under ground no. 2, the assessee has raised a legal ground challenging the validity of the notice issued under section 148 and the order passed under section 148A(d) of the Act. In this regard, the Ld. AR submitted that the notice issued under section 148 as well as the order passed under section 148A(d) of the Act were by the Jurisdictional Assessing Officer ("JAO") instead of the Faceless Assessing Officer ("FAO"), which is contrary to the scheme of faceless reassessment introduced by the CBDT. The Ld. AR invited our attention to the order under section 148A(d) of the Act, dated 15.04.2022 and the notice issued under section 148 of the Act on the same date. He demonstrated that both documents clearly bear the name and designation of the JAO. It was submitted that the CBDT Notification No. 18/2022 dated 29.03.2022, issued under section 151A(1) and (2) of the Act, mandates that with effect from 29.03.2022, all notices under section 148 of the Act must be issued through the Faceless Assessment Unit. Relying on the order of the Hon'ble jurisdictional High Court of Telangana in the case of Kankanala Ravindra Reddy Vs. ITO & 2 Others, Writ Petition Nos 25903 of 2023, dated 14.09.2023, the Ld. AR argued that when a notice is issued by an authority having no jurisdiction

in law, such notice is void ab initio, and all consequential proceedings stand vitiated. He therefore submitted that the notice issued under section 148 of the Act and the consequent assessment order passed under section 147 read with section 144 of the Act are bad in law and liable to be quashed.

8. Per contra, the Ld. DR submitted that since the assessee had failed to challenge the jurisdiction of the JAO within the period prescribed under sub-section (3) of Section 124 of the Act, i.e., within one month from the date of service of the notice, he is now barred from raising such an objection for the first time before the Tribunal. The Ld. DR, in support of his contention, placed reliance on the judgment of the Hon'ble Supreme Court in DCIT vs. Kalinga Institute of Industrial Technology 454 ITR 582. It was submitted that the Hon'ble Apex Court, in the said decision, has categorically held that, in view of the mandate of Section 124(3) of the Act, an assessee is precluded from assailing the jurisdiction of the Ld. AO if such objection is not raised within 30 days from the receipt of notice. The Ld. DR thus contended that, in the present case, the assessee had failed to call in question the jurisdiction of the JAO, who had issued the notice under Section 148 of the Act within the stipulated period, and therefore, he cannot be permitted to raise such an objection for the first time before the Tribunal.

9. Rebutting the contention of the Ld. DR, the Ld. AR submitted that, in the present case, the assessee is challenging not the territorial or administrative jurisdiction contemplated under Section 120(3) of the Act, but the very inherent lack of jurisdiction of the JAO to initiate proceedings under Section 148A

and issue notice under Section 148 of the Act. It was argued that the judgment of the Hon'ble Supreme Court in DCIT vs. Kalinga Institute of Industrial Technology (supra) dealt exclusively with objections relating to jurisdiction under Section 120(3) of the Act, which is materially different from the question involved herein. Therefore, the said judgment, being distinguishable both on facts and on the legal issue adjudicated therein, does not advance the case of the Revenue.

10. We have considered the rival submissions and perused the material available on record including the case law relied upon. First of all, we will take up the objection raised by the Ld. DR with regards to the failure on the part of the assessee to challenge the jurisdiction of the JAO within the period prescribed under sub-section (3) of Section 124 of the Act. In this regard, we note that similar issue has been considered by this Tribunal in the case of Venkata Ramanamma Sakamuri vs. ITO in ITA.No.299/Hyd/2025 for the assessment year 2019-20 vide Order dated 05.12.2025 wherein the Tribunal in para nos. 15 to 24 of its order held as under :

> *"15. We shall first deal with the Ld. Sr. DR's contention that as the assessee had within the specified time period contemplated under sub-section (3) of Section 124 of the Act, i.e. within a period of one month from the date on which the said notice was served upon him not called in question the jurisdiction of the ITO, Ward-1, Nellore i.e., the JAO, who had issued Notice u/s 148 of the Act, dated 31/03/2023, therefore, he was precluded from assailing the same for the first time before the Tribunal.*
>
> *16. Before proceeding further, it would be relevant to cull out Section 124(3) of the Act, which reads as under:*
>
> *"124 (1) xxxxxxxx*
>
> *(2) xxxxxxx*
>
> *(3) No person shall be entitled to call in question the jurisdiction of an Assessing Officer—*

(a) where he has made a return under sub-section (1) of section 115WD or under sub-section (1) of section 139, after the expiry of one month from the date on which he was served with a notice under subsection (1) of section 142 or sub-section (2) of section 115WE or subsection (2) of section 143 or after the completion of the assessment, whichever is earlier;

(b) where he has made no such return, after the expiry of the time allowed by the notice under sub-section (2) of section 115WD or subsection (1) of section 142 or under sub-section (1) of section 115WH or under section 148 for the making of the return or by the notice under the first proviso to section 115WF or under the first proviso to section 144 to show cause why the assessment should not be completed to the best of the judgment of the Assessing Officer, whichever is earlier;

(c) where an action has been taken under section 132 or section 132A, after the expiry of one month from the date on which he was served with a notice under sub-section (1) of section 153A or sub-section (2) of section 153C or after the completion of the assessment, whichever is earlier."

17. Having given a thoughtful consideration to the aforesaid claim of the ld. DR in the backdrop of the mandate of Sub-section (3) of Section 124 of the Act, we are unable to fathom that as to how the restriction therein contemplated, which is confined to questioning the jurisdiction of an Assessing Officer, can have any bearing on the claim of the present assessee before us, who has assailed the validity of the assessment order passed under Section 147 r.w.s 144 r.w.s 144B of the Act, dated 19/02/2024 by the Assessment Unit, Income-Tax Department, i.e., Faceless Assessing Officer (FAO) based on the Notice u/s 148 of the Act, dated 31/03/2023 issued by the ITO, Ward-1, Nellore, i.e., JAO who inherently lacked the jurisdiction for both initiating the proceedings u/s 148A of the Act and issuing Notice u/s 148 of the Act.

18. Before dealing with the subject issue, we deem it apposite to look into the fabric of Section 124 of the Act. On a careful perusal of Section 124 of the Act, it transpires that the same apparently deals with the issue of "territorial jurisdiction" of an Assessing Officer. Ostensibly, sub-section (1) of Section 124 contemplates vesting with the AO of jurisdiction over a specified area by virtue of any direction or order issued under sub-section (1) and sub-section (2) of Section 120 of the Act. Sub-section (2) of Section 124 contemplates the manner in which any controversy regarding the territorial jurisdiction of an AO is to be resolved. Apropos sub-section (3) of Section 124 of the Act, the same places a restriction upon an assessee to call in question the jurisdiction of the A.O where he had initially not raised such objection within a period of one month from the date on which he was served with a notice under sub-section (1) of Section 142 or sub-section (2) of Section 143 or Section 148 or sub-section (1) of Section 153A or sub-section (2) of Section 153C. To sum up, the obligation cast upon an assessee to call in question the jurisdiction of the A.O as per the mandate of sub-

section (3) of Section 124 is confined to a case where he objects to the assumption of jurisdiction by the A.O, and not otherwise.

19. At this stage, we may herein refer to certain judicial pronouncements that had in the past held the field on the aforesaid issue. The Hon'ble High Court of Bombay in the case of Peter Vaz & Ors. Vs, CIT & Ors. (2021) 436 ITR 616(Bom) and the Hon'ble High Court of Gujarat in the case of Commissioner of Income-tax v. Ramesh D. Patel [2014] 42 taxmann.com 540/225 Taxman 411/362 ITR 492 (Gujarat), had held that as Section 124 of the Act pertains to territorial jurisdiction vested with an AO under sub-section (1) or sub-section (2) of Section 120, therefore, the provisions of sub-section (3) of Section 124 which puts a restriction on an assessee to object to the validity of the jurisdiction of an A.O would get triggered only in a case where the dispute of the assessee is with respect to the territorial jurisdiction and have no relevance in so far his inherent jurisdiction for framing the assessment is concerned. Further, the Hon'ble High Court of Bombay in the case of Bansilal B. Raisoni & Sons v. Assistant Commissioner of Income Tax [2019] 101 taxmann.com 20/260 Taxman 281 (Bombay) had, inter alia, observed that the time limit for objecting to the jurisdiction of the Assessing Officer prescribed under sub-section (3) of Section 124 has a relation to the Assessing Officer's territorial jurisdiction. It was further observed that the time limit prescribed would not apply to a case where the assessee contends that the action of the Assessing Officer is without authority of law and, therefore, wholly without jurisdiction. Also, the Hon'ble High Court of Bombay in the case of Commissioner of Income tax v. Lalitkumar Bardia [2017] 84 taxmann.com 213/[2018] 404 ITR 63 (Bombay) had addressed the contention of the department that where the assessee had not objected to the jurisdiction within the time prescribed under sub-section (3) of Section 124 of the Act, then, having waived its said right, it was barred from raising the issue of jurisdiction after having participated in the assessment proceedings. The Hon'ble High Court had observed that the waiver can only be of one's right or privilege, but non-exercise of the same will not bestow jurisdiction on a person who inherently lacks jurisdiction. Therefore, the principle of waiver cannot be invoked to confer jurisdiction on an Officer who is acting under the Act when he does not have jurisdiction. The Hon'ble High Court, while concluding as hereinabove, had relied on the judgment of the Hon'ble Supreme Court in the case of Kanwar Singh Saini v. High Court of Delhi (2012) 4 SCC 307. The Hon'ble Apex Court in its aforesaid judgment, had held that it is the settled legal proposition that conferment of jurisdiction is a legislative function and it can neither be conferred with the consent of the parties nor by a superior court. The Hon'ble Apex Court further observed that if the court passes an order or decree having no jurisdiction over the matter, it would amount to a nullity as the matter goes to the roots of the cause. Also, the Hon'ble Apex Court clarified that an issue can be raised at any belated stage of the proceedings, including in appeal or execution. Elaborating further, it was observed by the Hon'ble Apex Court that the finding of a court or tribunal becomes irrelevant and unenforceable and inexecutable once the forum

is found to have no jurisdiction. It was further observed by the Hon'ble Apex Court that the acquiescence of a party equally should not be permitted to defeat the legislative animation, and the court cannot derive jurisdiction apart from the statute. For the sake of clarity, the observations of the Hon'ble Apex Court in the case of Kanwar Singh Saini (supra) are culled out as under:

> *"22. There can be no dispute regarding the settled legal proposition that conferment of jurisdiction is a legislative function and it can neither be conferred with the consent of the parties nor by a superior court, and if the court passes order/decree having no jurisdiction over the matter, it would amount to a nullity as the matter goes to the roots of the cause. Such an issue can be raised at any belated stage of the proceedings including in appeal or execution. The finding of a court or tribunal becomes irrelevant and unenforceable/inexecutable once the forum is found to have no jurisdiction. Acquiescence of a party equally should not be permitted to defeat the legislative animation. The court cannot derive jurisdiction apart from the statute. (Vide United Commercial Bank Ltd v. Workmen, Nai Bahu v. Lala Ramnarayan, Natraj Studios (P) Ltd. v. Navrang Studios, Sardar Hasan Siddiqui v. STAT, A.R. Antulay v. R.S. Nayak, Union of India v. Deoki Nandan Aggarwal, Karnal Improvement Trust v. Parkash Wanti, U.P. Rajkiya Nirman Nigam Ltd. v. Indure (P) Ltd., State of Gujarat v. Rajesh Kumar Chimanlal Barot, Kesar Singh v. Sadhu, Kondiba Dagadu Kadam v. Savitribai Sopan Gujar and CCE v. Flock (India) (P) Ltd.)"*
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> *(emphasis supplied by us)*

20. We further find that the Hon'ble Supreme Court in its recent order passed in the case of Union of India v. Rajeev Bansal [2024] 167 taxmann.com 70/301 Taxman 238/469 ITR 46 (SC) had, inter alia, observed that the order passed without jurisdiction is nullity. It was further observed that if a statute expressly confers a power or imposes a duty on a particular authority, then such power or duty must be exercised or performed by that authority itself. The Hon'ble Apex Court had further observed that any exercise of power by statutory authorities inconsistent with the statutory prescription is invalid. Apart from that, it was observed that as there cannot be any waiver of a statutory requirement or provision that goes to the root of the jurisdiction of assessment, therefore, any consequential order passed or action taken will be invalid and without jurisdiction. For the sake of clarity, the observations of the Hon'ble Apex Court are culled out as under:

> *"30. If a statute expressly confers a power or imposes a duty on a particular authority, then such power or duty must be exercised or performed by that authority itself. (Dr. Premachandran Keezhoth v. Chancellor, Kannur University).*

Further, when a statute vests certain power in an authority to be exercised in a particular manner, then that authority has to exercise its power following the prescribed manner (CIT v. Anjum M.H. Ghaswala; State of Uttar Pradesh v. Singhara Singh). Any exercise of power by statutory authorities inconsistent with the statutory prescription is invalid.....

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32. A statutory authority may lack jurisdiction if it does not fulfil the preliminary conditions laid down under the statute, which are necessary to the exercise of its jurisdiction. (Chhotobhai Jethabhai Patel and Co. V. Industrial Court, Maharashtra Nagpur Bench).There cannot be any waiver of a statutory requirement or provision that goes to the root of the jurisdiction of assessment. (Superintendent of Taxes v. Onkarmal Nathmal Trust). An order passed without jurisdiction is a nullity. Any consequential order passed or action taken will also be invalid and without jurisdiction. (Dwarka Prasad Agrawal V. B.D. Agrawal). Thus, the power of assessing officers to reassess is limited and based on the fulfilment of certain preconditions. (CIT v. Kelvinator of India Ltd.)"

(emphasis supplied by us)

21. We shall now advert to the judgment of the Hon'ble Supreme Court, in the case of Deputy Commissioner of Income-tax (Exemption) v. Kalinga Institute of Industrial Technology [2023] 454 ITR 582 (SC), that has been relied upon by the Ld. DR to impress upon us that as the assessee company in the present case before us, had, within the time allowed by the notice issued u/s 148 of the Act, dated 31/03/2023, i.e., period of 30 days, not called in question the jurisdiction of the ITO, Ward-1, Nellore, i.e., JAO, based on which the Assessment Unit, Income-Tax Department, i.e., Faceless Assessing Officer (FAO) had thereafter framed the assessment vide his order passed under Section 147 r.w.s 144 r.w.s 144B of the Act, dated 19/02/2024, therefore, as per the mandate of sub-section (3) of Section 124 of the Act, he cannot in the course of present proceedings before us object to the validity of the jurisdiction so assumed.

22. It would be relevant to cull out the facts that were involved in the case of Deputy Commissioner of Income-tax (Exemption) v. Kalinga Institute of Industrial Technology (supra), as under:

(i). assessee had in the aforesaid case challenged the notice issued u/s.143(2) of the Act by the ACIT, Corporate Circle-1(2), Bhuwaneshwar, as being without jurisdiction;

(ii). jurisdiction over the case of the assessee that was vested with ACIT, Corporate Circle-1(2), Bhuwaneshwar, was, after the filing of the return of income by the assessee, changed, and got vested with the Jt. CIT(OSD) (Exemption), Bhuwaneshwar;

(iii). it was the assessee's case that, as the jurisdiction to issue notice under Section 143(2) of the Act in its case was with the Jt. CIT (OSD)(Exemption), Bhuwaneshwar, therefore, the impugned notice issued u/s. 143(2) of the Act by the ACIT, Corporate Circle-1(2), Bhuwaneshwar was without jurisdiction and, thus, liable to be quashed;

(iv). Hon'ble High Court of Orissa, observing that the jurisdiction to issue notice u/s. 143(2) of the Act in the case of the assessee remained with the Jt. CIT(OSD)(Exemption), Bhuwaneshwar, therefore, held the impugned notice issued u/s. 143(2) of the Act by the ACIT, Corporate Circle-1(2), Bhuwaneshwar, as having been issued without jurisdiction and quashed the same.

23. On Special Leave Petition (SLP) filed by the revenue, the Hon'ble Apex Court had, inter alia, observed that as the record revealed that the assessee had, participated in the assessment proceedings and not questioned the jurisdiction of the AO, there was no justification for the High Court to have set-aside the notice issued u/s.143(2) of the Act by the ACIT, Corporate Circle-1(2), Bhuwaneshwar. Elaborating on the scope of Section 124(3)(a) of the Act, the Hon'ble Apex Court observed that the same precluded the assessee from questioning the jurisdiction of the AO if he does not do so within 30 days of receipt of notice u/s. 142(1) of the Act.

24. Before proceeding further, it would be relevant to point out that a plain reading of sub-section (3) of Section 120 of the Act reveals that the "Jurisdiction" vested with the Income-tax Authorities is classified into four categories, viz. (i) territorial area; (ii) persons or classes of persons; (iii) income or classes of income; or (iv) cases or classes of cases. The assessee in the present case before us, has not assailed the vesting of jurisdiction with the ITO, Ward-1, Nellore, i.e., JAO based on either of the aforesaid four categories, but has rather challenged the lack of inherent jurisdiction with the Jurisdictional Assessing Officer (JAO), both for initiating the impugned proceedings under Section 148A of the Act, as well as issuing the consequential notice under Section 148 of the Act. In our view, as after the introduction of the "Faceless Jurisdiction of the Income Tax Authorities Scheme, 2022" and the "e-Assessment of Income Escaping Assessment Scheme, 2022", it is only the FAO which can issue the notice under Section 148 of the Act and not the JAO, and the assessments are statutorily required to be as per the prescribed faceless mechanism provided under the provisions of Section 144(b) r.w Section 151A of the Act, therefore, the challenge by the assessee to the inherent lack of jurisdiction with the JAO to initiate the impugned proceedings under Section 148A of the Act, as well as issue the notice under Section 148 of the Act will not be saved by the judgment of the Hon'ble Supreme Court in Commissioner of Income-tax (Exemption) v. Kalinga Institute of Industrial Technology (supra), which being distinguishable on facts will not assist the case of the revenue before us."

11. On perusal of above, we find that this Tribunal has rejected the objection of the Revenue regarding the alleged failure on the part of the assessee to challenge the jurisdiction of the JAO within the time prescribed under Section 124(3) of the Act. The Tribunal has categorically held that the objection raised by the assessee pertains to the inherent lack of jurisdiction, which was not the issue before the Hon'ble Supreme Court in the case of DCIT v. Kalinga Institute of Industrial Technology (supra). Therefore, respectfully following the order of this Tribunal, we also hold that the assessee's challenge to the inherent lack of jurisdiction with the JAO to initiate proceedings under Section 148A of the Act, as well as to issue the notice under Section 148 of the Act, will not be governed by the judgment of the Hon'ble Supreme Court in DCIT v. Kalinga Institute of Industrial Technology (supra). The said judgment, being distinguishable on facts and on the issue involved, does not advance the case of the Revenue before us.

12. Now coming to the core issue regarding the objection of the Ld. AR that the notice issued under section 148 as well as the order passed under section 148A(d) of the Act were by the JAO instead of the FAO, we have gone through the order passed under section 148A(d) of the Act, dated 15.04.2022, which is to the following effect:

(17)

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT
OFFICE OF THE INCOME TAX OFFICER
WARD 10(1),HYDERABAD/

To, ADILAXMI LINGAMGUNTA H NO 31/A INDIAN AIRLINES COLONY , AKASHNAGAR NEW BOWENPALLY SECUNDERABAD 500011 , Andhra Pradesh India	

PAN: AMNPL4940M	A.Y: 2015-16	Dated: 19/03/2022	DIN & Notice No: ITBA/AST/F/148A(SCN)/2021-22/1041059364(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 **2015-16** has escaped assessment within the meaning of section 147 of the Income-tax Act, 1961. The details of the information and enquiry, if conducted, are enclosed with this notice in Annexure A.

2. You are required to show-cause as to why, in view of the details contained in Annexure A, a notice section 148 of the Income tax Act, 1961 should not be issued.

3. You may, to the extent technologically feasible, submit your response with supporting documents (if any) on the above mentioned issues electronically in 'e-proceeding' facility through your account in e-filing portal at your convenience on or before **23/03/2022**.

4. This notice is being issued after obtaining the prior approval of the **PCCIT, AP & TELANGANA** accorded on date **19/03/2022** vide Reference No. **100000029633183**.

VURANDURU P NARASIMHA RAO
WARD 10(1),HYDERABAD

ANNEXURE

As per NMS module of Insight portal, for F.Y 2014-15 (A.Y 2015-16), it is noticed that your case is identified as Non-filer with potential tax liabilities by analyzing the following information of transaction entered by you, received under Statement of Financial Transaction (SFT), TDS/TCS Statement, the details are as under:

S.No	Nature of Transaction	Amount/Transaction Value (Rs.)
1	TDS-194A-TDS Statement-interest other than interest on securities -CANARA BANK, SPECIAL SAVINGS BRANCH, KARKHANA	20,156
2.	AIR-001-Deposited cash of Rs. 10,00,000 or more in a saving bank account-CANARA BANK ET & T SEC	13,99,000
3	CIB-403-Time deposit exceeding Rs. 2,00,000/- CANARA BANKKHARKHANA MAIN ROAD	8,50,000
4	AIR-001-Deposited cash of Rs. 10,00,000 or more in a saving bank account-HDFC BANK LIMITED	19,61,000
5	CIB-410-Deposit In Cash aggregating Rs. 2,00,000/- or more, with a banking company - CANARA BANKKHARKHANA MAIN ROAD	13,00,000

It is seen that in spite of entering into the above high value transaction, you have not filed return of income for the year under consideration. Therefore, as per amended provision of Income-tax Act 1961, you are provided an opportunity of being heard by issuance of show cause notice u/s. 148A(b) of the Income-tax Act, 1961 and are required to show cause as to why notice u/s. 148 should not be issued on the basis of the above information which suggests that income chargeable to tax has escaped assessment In your case for A.Y 2015-16.

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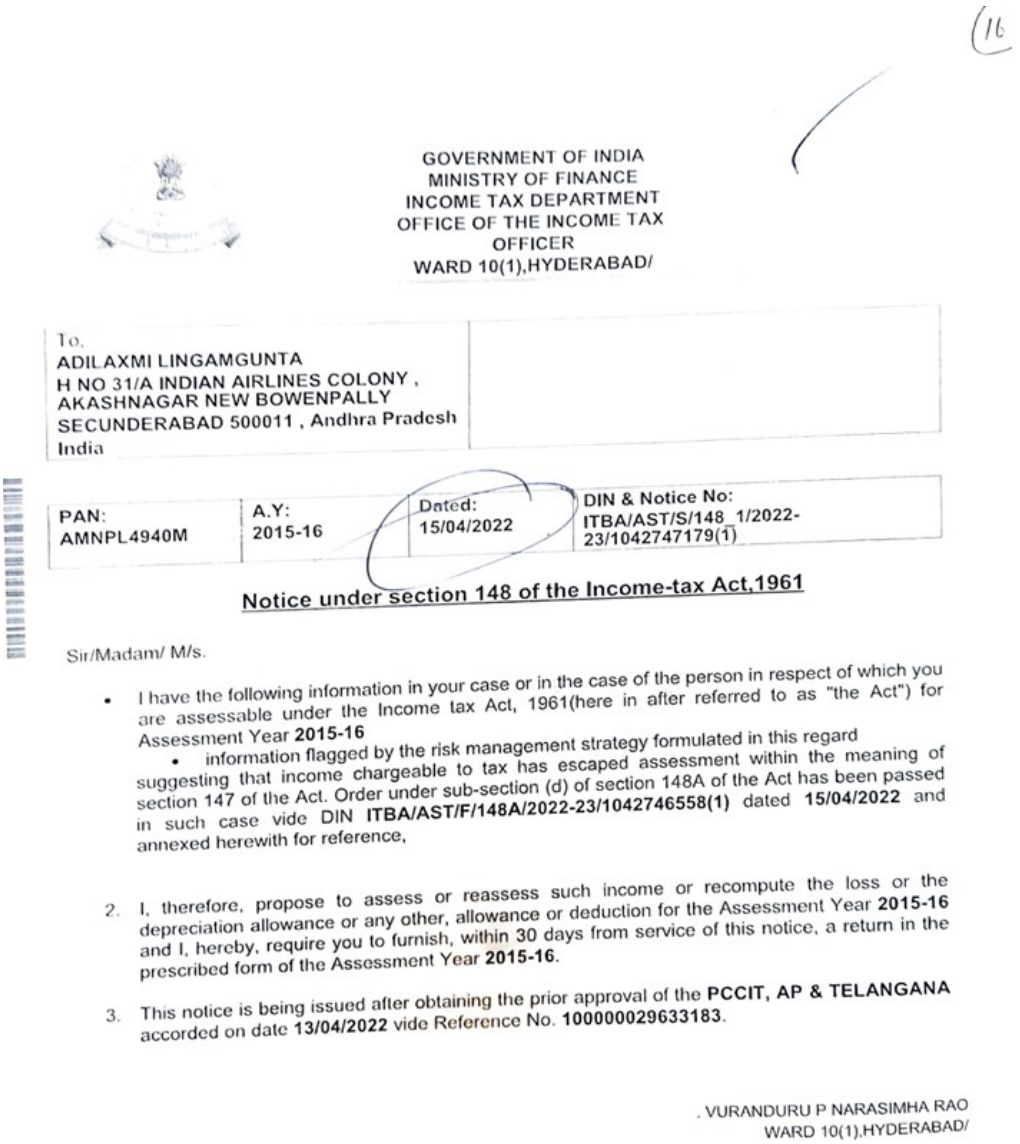
You are requested to file your submissions along with necessary evidences in support of your claim, on or before the date mentioned in the notice, failing which it would be considered that you have nothing to say and the undersigned will be constrained to proceed with the proceedings as per the provision of section 148(d) of the Act, on the basis of the documents available on record."

VURANDURU P NARASIMHA RAO
WARD 10(1),HYDERABAD/

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

13. On perusal of above, it is evident that the order under section 148A(d) of the Act was passed by JAO on 15.04.2022. We

have also gone through the notice issued under section 148 of the Act, which is to the following effect:



GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT
OFFICE OF THE INCOME TAX OFFICER
WARD 10(1),HYDERABAD/

To,
ADILAXMI LINGAMGUNTA
H NO 31/A INDIAN AIRLINES COLONY ,
AKASHNAGAR NEW BOWENPALLY
SECUNDERABAD 500011 , Andhra Pradesh
India

PAN:	A.Y:	Dated:	DIN & Notice No:
AMNPL4940M	2015-16	15/04/2022	ITBA/AST/S/148_1/2022-23/1042747179(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 **2015-16**
  - information flagged by 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/2022-23/1042746558(1)** dated **15/04/2022** 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 **2015-16** and I, hereby, require you to furnish, within 30 days from service of this notice, a return in the prescribed form of the Assessment Year **2015-16**.

3. This notice is being issued after obtaining the prior approval of the **PCCIT, AP & TELANGANA** accorded on date **13/04/2022** vide Reference No. **100000029633183**.

. VURANDURU P NARASIMHA RAO
WARD 10(1),HYDERABAD/

14. On perusal of the above, it is evident that the notice under section 148 of the Act was also been issued by the JAO on 15.04.2022. Further, we have carefully examined the CBDT Notification No. 18/2022 dated 29.03.2022, issued in exercise of power conferred under section 151A(1) and (2) of the Act, which is to the following effect:

MINISTRY OF FINANCE

(Department of Revenue)

(CENTRAL BOARD OF DIRECT TAXES)

NOTIFICATION

New Delhi, the 29th March, 2022

S.O. 1466(E).—In exercise of the powers conferred by sub-sections (1) and (2) of section 151A of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby makes the following Scheme, namely:-

1. Short title and commencement.—(1) This Scheme may be called the e-Assessment of Income Escaping Assessment Scheme, 2022.

(2) It shall come into force with effect from the date of its publication in the Official Gazette.

2. Definitions.—(1) In this Scheme, unless the context otherwise requires, —

(a) "Act" means the Income-tax Act, 1961 (43 of 1961);

(b) "automated allocation" means an algorithm for randomised allocation of cases, by using suitable technological tools, including artificial intelligence and machine learning, with a view to optimise the use of resources.

(2) Words and expressions used herein and not defined, but defined in the Act, shall have the meaning respectively assigned to them in the Act.

3. Scope of the Scheme.—For the purpose of this Scheme,—

(a) assessment, reassessment or recomputation under section 147 of the Act,

(b) issuance of notice under section 148 of the Act,

shall be through automated allocation, in accordance with risk management strategy formulated by the Board as referred to in section 148 of the Act for issuance of notice, and in a faceless manner, to the extent provided in section 144B of the Act with reference to making assessment or reassessment of total income or loss of assessee.

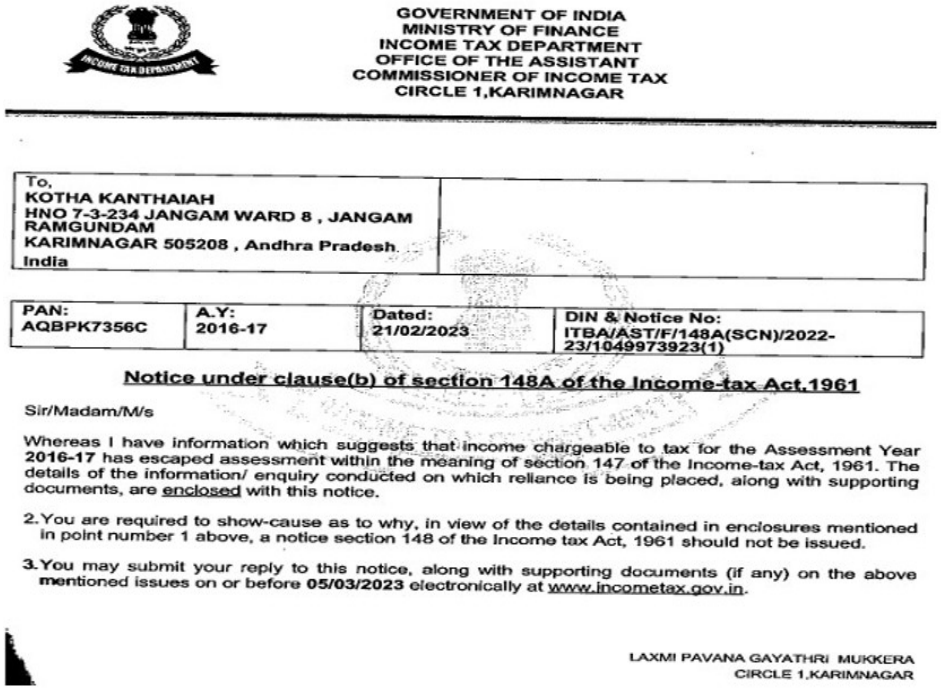
[Notification No. 18/2022/F. No. 370142/16/2022-TPL(Part1]

SHEFALI SINGH, Under Secy.

15. On perusal of para no. 3 of the said notification, it is evident that the assessment, re-assessment or re-computation under section 147 of the Act and any notice to be issued under section 148 of the Act on or after 29.03.2022 shall be in accordance with the Faceless Assessment Scheme by the FAO. Hence, on perusal of the order under section 148A(d) of the Act, notice issued under section 148 of the Act and the CBDT notification, we find that in the present case, the order passed under section 148A(d) and the notice issued under section 148 of the Act was on 15.04.2022, i.e., after the said CBDT notification came into effect. However, in terms of the CBDT Notification, the JAO ceased to have authority to issue notice under section 148 of the Act w.e.f. 29.03.2022. It is manifest from the above that the

issue of notice under section 148 as well as the passing of order under section 148A(d) of the Act were conducted by the JAO and not in the Faceless manner as prescribed by the CBDT notification dated 29.03.2022. We note that similar issue has been considered by the Coordinate Bench of ITAT, Hyderabad in the case of Shri Kotha Kanthaiah vs. ITO in ITA.No.1259/Hyd/2024 for the assessment year 2016-17 vide Order dated 04.09.2025 wherein the Tribunal in para nos. 9 to 16 of its order held 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:



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:	A.Y:	Dated:	DIN & Notice No:
AQBPK7356C	2016-17	21/02/2023	ITBA/AST/F/148A(SCN)/2022-23/1049973923(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 **05/03/2023** electronically at www.incometax.gov.in.

LAXMI PAVANA GAYATHRI MUKKERA
CIRCLE 1,KARIMNAGAR

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:	A.Y:	Dated:	DIN & Notice No:
AQBPK7356C	2016-17	30/03/2023	ITBA/AST/S/148_1/2022-23/1051671241(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**
   - 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 immediately 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 i.e., 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**[1] 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 & OTHERS2, Gauhati High Court in the case of RAM NARAYAN SAH vs. UNION OF INDIA3, Punjab and Haryana High Court in the case of JATINDER SINGH BANGU vs. UNION OF INDIA4, and Telangana High Court in the case of SRI VENKATARAMANA REDDY PATLOOLA vs. DEPUTY COMMISSIONER OF INCOME TAX5 where the issue was in respect of international taxation, Bombay High Court in the case of ABHIN ANILKUMAR SHAH vs. INCOME TAX OFFICER, INTERNATIONAL TAXATION6 which is again on international taxation and central circle, High Court of Himachal Pradesh in the case of GOVIND SINGH vs. INCOME TAX OFFICER7, Gujarat High Court in the case of MANSUKHBHAI DAHYABHAI RADADIYA vs. INCOME TAX OFFICER, WARD 3(3)(5)8, Jharkand High Court in the case of SHYAM SUNDAR SAW vs. UNION OF INDIA9, Rajasthan High Court in the case of SHARDA DEVI CHHAJER vs. INCOME TAX OFFICER & ANOTHER and batch of writ petitions10 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 178 (Telangana), 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 TAX11, 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 Saraf12 as also the recent decision of the co ordinate Bench of this Court in Samp Furniture (P) Ltd. v. ITO13 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 loose its binding force. Referring to the decision of the Supreme Court in Union of India vs. Kamlakshi Finance Corporation Ltd.14, 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.

> *"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 quasijudicial issues before them, revenue officers are bound by the decisions of the appellate authorities. The order of the Appellte 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 15 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 16 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 147of 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 null and void-ab-initio.*
>
> *3. The Notice issued u/s 148 of the I.T. Act, 1961 dated 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 Rs. 50 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 I.T Act, 1961 dated 30.03.2023, is illegal 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 156 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 NoF.No.299/10/2022-Dir(Inv.III)/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."*

16. On perusal of the above, it is evident that, this Tribunal relying on the Judgment of Hon'ble Jurisdictional High Court for the State of Telangana in the case of Kotha Kanthaiah dated 24/04/2025 in W.P.No.344 of 2025, has held that the notice issued under section 148 of the Act by the JAO on or after the date of CBDT notification(supra) is not valid and liable to be set-aside/quashed. In the present case, there is no dispute on the fact that the notice under section 148 of the Act has been issued by the JAO after the date of CBDT notification (supra). Therefore, respectfully following the Judgment of Hon'ble Jurisdictional High Court for the State of Telangana in the case of Kotha Kanthaiah (supra) as well as the decisions of this Tribunal in the case of Kotha Kanthaiah (supra), we hold that, the notice issued by the JAO under section 148 of the Act, dated 15.04.2022 is not valid and liable to be quashed. Accordingly, we set aside the order of the Ld. CIT(A) and quash the impugned assessment order passed by the Ld. AO in the same terms as laid down by the Hon'ble

Jurisdictional High Court for the State of Telangana in the case of Kotha Kanthaiah(supra).

17. Further, we find that the issue is pending for adjudication before the Hon'ble Supreme Court in the SLP filed by the Revenue in the case of Hexaware Technology Ltd., against the Judgment of Hon'ble High Court of Bombay and the Hon'ble Jurisdictional High Court for the State of Telangana in the case of Kotha Kanthaiah (supra) has 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.

18. As we have allowed the appeal of the assessee on legal ground, we do not propose to adjudicate on the other grounds of appeal, which are kept upon.

19. In the result, the appeal of the assessee in ITA No.1317/Hyd/2025 is allowed in terms of our above observation.

ITA Nos. 915,1487 & 1606/Hyd/2025 :

20. In all these three appeals, the assessee has filed additional grounds along with petition for admission of such additional grounds. The Ld. ARs have submitted that additional grounds so raised are admissible in view of judgment rendered by the Hon'ble Supreme Court in the case of National Thermal Power Co. Ltd. v. CIT (1998) 229 ITR 383 (SC). The Ld. DR did not raise any objection for admission of the additional grounds. The prayer for admission of additional grounds are being admitted for adjudication in terms of Rule 11 of the Income Tax (Appellate

Tribunal) Rules, 1963 owing to the fact that objections raised in additional grounds are legal in nature for which relevant facts are stated to be emanating from the existing records.

21. We observe that in all these three appeals, the assessee has raised additional ground challenging the validity of the notice issued under section 148 of the Act as well as the order passed under section 148A(d) of the Act. The assessee has contended that the notice issued under section 148 and the order passed under section 148A(d) of the Act were by the JAO instead of the FAO, which is contrary to the statutory scheme of Faceless Assessment introduced by the CBDT. It has been argued that, since the notices and orders were issued by the JAO in violation of the mandatory faceless procedure, the proceedings are bad in law, and consequently, the assessment orders passed pursuant thereto are liable to be quashed.

22. On perusal of the respective records, we find that in ITA No. 915/Hyd/2025 for Assessment Year 2018–19, the Ld. AO passed the order under section 148A(d) on 30.03.2022 and issued the notice under section 148 on 31.03.2022. In ITA No.1487/ Hyd/ 2025 for Assessment Year 2019–20, the Ld. AO passed the order under section 148A(d) on 07.04.2023 and issued the notice under section 148 on 10.04.2023. In ITA No. 1606/Hyd/2025 for Assessment Year 2018–19, the Ld. AO issued the notice under section 148 and passed the order under section 148A(d) on 25.04.2022. Thus, in all thsee three appeals, there is no dispute regarding the fact that the Ld. AO passed the order under section 148A(d) and issued the notice under section 148 after 29.03.2022, which is the effective date notified by CBDT for implementation of

the Faceless Reassessment Scheme. As per the CBDT Notification, any assessment, reassessment or recomputation under section 147 of the Act, and any notice issued under section 148 on or after 29.03.2022, shall mandatorily be in accordance with the faceless reassessment scheme and must be carried out by the FAO. Therefore, the issues involved in these three appeals are identical to those arising in ITA No. 1317/Hyd/2025. Hence, our observations and findings recorded therein apply mutatis mutandis to the present appeals as well. In ITA No. 1317/Hyd/2025, we have held that a notice issued by the JAO under section 148 of the Act after 29.03.2022 is invalid and bad in law, and accordingly we have set aside the order of the Ld. CIT(A) and quashed the impugned assessment order. Following the same reasoning, all these three appeals filed by the assessee are also allowed in same terms.

23. To sum up, all the four appeals filed by the assessees are allowed in terms of our above observations.

Order pronounced in the Open Court on 24th December 2025.

Sd/-	Sd/-
(RAVISH SOOD) **JUDICIAL MEMBER**	**(MADHUSUDAN SAWDIA)** **ACCOUNTANT MEMBER**

Hyderabad, dated 24th December 2025

Vinodan/sps

Copy to:

S.No	Addresses
1	Smt. Lingamgunta Adilaxmi, H. No. 31/A Indian Airlines Colony Akashnagar, New Bowenpally Hyderabad 500011
2	Income Tax Officer Ward 10(1) IT Towers, AC Guards, Masab Tank, Hyderabad
3	Shri Raghu Alekh Barli H.No.6-3-688/1 Flat No.2D Usha Mansion, Somajiguda, Hyderabad 500082
4	Dy.CIT, Circle 6(1) IT Towers, Professor Elyas Burney Road, AC Guards, Masab Tank, Hyderabad
5	M/s. Sanzyme (P) Ltd, 8-2-472/1/A/B/SF-3 Sattva Signature Tower, Road No.1 Banjara Hills, Hyderabad 500034
6	Dy.CIT Circle 3(1) Signature Towers, Hyderabad 500084
7	Shri Bikaram Pushpender, 4-139, 1st Floor, Opp: More Super Market, Chandanagar, Hyderabad 500050
8	Income Tax Officer Ward 9(1) IT Towers, AC Guards, Masabtank Hyderabad
9	Pr. CIT - Hyderabad
10	DR, ITAT Hyderabad Benches
11	Guard File

By Order