

IN THE INCOME TAX APPELLATE TRIBUNAL

"I" BENCH, MUMBAI

BEFORE SHRI OM PRAKASH KANT, ACCOUNTANT MEMBER

SHRI SANDEEP SINGH KARHAIL, JUDICIAL MEMBER

ITA No.6531/MUM/2025
(Assessment Year: 2017-18)

Anthonette Joaquim Anthony,

1/146 BMC Colony, Marve Road,

Malad,

Mumbai-400095.

PAN : AMJPA5230F

..... Appellant

v/s

Income Tax Officer (International Taxation)

Ward 1(1)(1),

Room No.1817-A, 18th Floor,

Air India Building, Nariman Point,

Mumbai - 400021.

..... Respondent

Assessee by : Shri Devendra Jain

Revenue by : Shri Krishna Kumar, Sr. DR

Date of Hearing – 22/01/2026

Date of Order - 30/01/2026

ORDER

PER SANDEEP SINGH KARHAIL, J.M.

The assessee has filed the present appeal against the impugned final assessment order dated 08/07/2025 passed under section 147 read with section 144C(13) of the Income Tax Act, 1961 (*"the Act"*), pursuant to the directions dated 30/06/2025 issued by the learned Dispute Resolution Panel-1, Mumbai (*"learned DRP"*) under section 144C(5) of the Act, for the assessment year 2017-18.

2. For the reasons stated in the application seeking condonation of delay in filing the present appeal, the slight delay of 13 days is condoned.

3. In this appeal, the assessee has raised the following grounds: –

1) In the facts and circumstances of the case and in law, the Ld. Assessing Officer has erred in issuing of notice under section 148 dated 22.03.2024 in violation of provisions contained in section 151A as held by Hon'ble Jurisdictional Bombay High Court in case of Hexaware Technologies Limited vs. ACIT [WP 1778/2023; order dated 03.05.2024].

2) In the facts and circumstances of the case and in law, the Ld. Assessing Officer has erred in initiating the assessment u/s 147 by obtaining a mere mechanical sanction u/s 151 from competent authority and thus violating the law laid down by Hon'ble Supreme Court in the case of ChhugamalRajpal v. SP Chaliha (1971) 79 ITR 603.

3) In the facts and circumstances of the case and in law, the Ld. Assessing Officer has erred in initiating reassessment under section 147 by issuing invalid notice under section 148 on 22.03.2024 directing to file ITR "within 30 days from the issue of the notice".

4) In the facts and in the circumstances of the case and in law, Ld. Assessing Officer (while passing the impugned order in conformity with the impugned directions of Hon'ble Dispute Resolution Panel u/s. 144C(5) dated 30.06.2025), has erred in adding as alleged unexplained investment or unexplained money u/s section 69/69A to the income of the Appellant.

5) In the facts and circumstances of the case and in law, the Ld. Assessing Officer (while passing the impugned order in conformity with the impugned directions of Hon'ble Dispute Resolution Panel u/s. 144C(5) dated 30.06.2025), has erred in invoking the provisions of section 115BBE on the alleged addition of unexplained investment or unexplained money of 2,10,500/- thereby taxing the said amount @ 60%."

4. During the hearing, the learned Authorised Representative ("learned AR"), at the outset, submitted that the notice issued under section 148 of the Act is in violation of the provisions contained in section 151A of the Act and therefore is void ab initio. In support of his contention, the learned AR placed reliance upon the decision of the Hon'ble Jurisdictional High Court in Abhin Anilkumar Shah v/s Income-tax Officer, International Taxation, reported in [2024] 468 ITR 350 (Bombay).

5. From the perusal of the aforesaid decision rendered by the Hon'ble Jurisdictional High Court, we find that the Petitioner challenged the notice issued under section 148A(b) as also the order passed under section 148A(d) leading to the issuance of the notice under section 148 of the Act on the basis that the same are in violation of the provisions of section 151A read with the provisions of section 144B and the scheme notified by the Central Government vide Notification dated 23/03/2022 under section 151A of the Act, where under it was mandated to follow the faceless mechanism while resorting to the procedures/action under section 148A and also while issuing a notice under section 148 of the Act. In support of its contention, the Petitioner placed reliance upon the decision of the Hon'ble Jurisdictional High Court in Hexaware Technologies Ltd v/s ACIT, reported in [2024] 464 ITR 430 (Bom.), wherein the Hon'ble High Court held that the Jurisdictional Assessing Officer ("JAO") would not have the jurisdiction while taking any action under section 148A and also while issuing notice under section 148 of the Act outside the faceless mechanism and contrary to the scheme notified by the Central Government vide Notification dated 09/03/2022. The Hon'ble Jurisdictional High Court, after taking into consideration the submissions of the Revenue, inter alia, that the provisions of section 151A of the Act and the scheme notified by the Central Government dated 09/03/2022 cannot be made applicable in relation to assessments falling under the international taxation charge, observed as follows: –

"12. Having heard the learned counsel for the petitioner and Mr. Mistry, the learned amicus, it is clear to us that although the objection of Ms. Goel at the first blush appeared to be attractive, when we first heard the matter on earlier occasion, however on a deeper scrutiny, such objection needs to fail.

Ms Goel's contention that the category of cases as notified under order(s) dated 31 March, 2021 and 6 September, 2021 issued under section 119 of the Act providing for exclusion of cases assigned to the central and international charges from the applicability of Section 144B of the Act is concerned, certainly cannot be accepted to be the correct position in law.

13. Such contention of Ms Goel needs to fail for more than one reason. Firstly, the order dated 31 March, 2021 issued under sub-section (2) of Section 144B of I.T. Act and order dated 6 September, 2021 issued under section 119 of the Act apply only in respect of "assessment orders to be passed, as clearly seen from the content of both such orders, which we have extracted hereinabove; Secondly, the scheme notified under section 151A under notification dated 29 March, 2022 applying the procedure of faceless mechanism to the proceedings under Section 148A and Section 148 is neither subject to the applicability of the prior order dated 31 March, 2021 read with 6 September, 2021 nor is it explicit so as to include the applicability of the said orders to the scheme as notified under section 151A; Thirdly, it would be doing violence to the language of the notification/scheme dated 29 March, 2022 to read into such notification what has not been expressly provided for and/or something which is kept outside the purview of the said notification, namely, the orders dated 31 March, 2021 and 6 September, 2021. It would be uncalled for as also not appropriate for the Court to read into the scheme dated 29 March, 2022, something which is not included. It cannot be said that the Central Government was not aware as to what was provided for in the orders dated 31 March, 2021 and 6 September, 2021 so as to not include the same under the scheme dated 29 March, 2022. It would thus be not correct, that the Court nonetheless reads into the scheme dated 29 March, 2022 the applicability of orders dated 31 March, 2021 and 6 September, 2021. In fact such approach would also be contrary to the mandate of Section 151A and to the scheme framed thereunder.

14. Thus, accepting Ms Goel's contention to read into the scheme as contained in the notification dated 29 March 2022, the applicability of the order dated 31 March, 2021 and 6 September, 2021 would in fact amount to not only rewriting such scheme issued by the Central Government but reading something into the provisions of section 151A which the legislature itself has not provided for. Section 151A and the Scheme notified below it stand independent under the notification dated 31 March 2022. Further, as rightly pointed out by Mr. Mistry, Section 151A is not subject to the other provisions of the Act when it empowers that the Central Government to make a scheme in the context of section 147 or for issuance of notice under section 148A and for conducting a prior enquiry by issuance of a show-cause notice or passing order under section 148A of the Act. The provisions is intended with an object of achieving efficiency, transparency and accountability inter alia by eliminating the interface between the income tax authority, optimizing utilization of the resources through economies of scale and functional specialization, and by introducing a team based assessment, reassessment, recomputation or issuance or sanction of notice with dynamic jurisdiction, as set out in clauses (a), (b) and (c) of sub-section 151A of the Act.

15. Thus, on a bare reading of section 151A as it stands, read with the scheme notified thereunder, we are of the clear opinion that the observations

as contained in Paragraphs 10 and 11 of our decision in CapitalG LP do not require any reconsideration.

16. In the above context, Mr. Mistry has also drawn our attention to the decision of the Division Bench of the High Court of Telangana in Sri Venkataramana Reddy Patloola v. Deputy Commissioner of Income Tax, Circle 1(1), Hyderabad & Ors. 2024 SCC OnLine TS 1792 to contend that such decision fortifies the view taken by us in CapitalG LP (*supra*) to submit that such decision takes a similar view, when an identical issue had fallen for consideration of the Division Bench of the High Court of Telangana, namely, whether the show-cause notice issued under section 148 of the Act in matters relating to international taxation charges are exempted to follow the procedure of faceless proceedings. In an elaborate judgment, their Lordships considering the provisions of section 151A as also the Notification dated 6 September, 2021 and the scheme notified by the Central Government under Notification dated 29 March, 2022 have held that only the actual assessment or reassessment would be laid in a face to face mode while the selection of cases and issue of notices could be in the faceless mode.

17. We have thus reached a considered conclusion that the mandatory faceless procedure for issuance of notice under section 148 of the Act falling within the purview of the scheme notified by the Central Government dated 29 March, 2022 would not exclude the Central charges and International taxation charges from the application of the faceless mechanism as notified under section 144B read with section 151A of the Act.

18. The result of the above discussion is to the effect that this Court not only in Hexaware and thereafter in CapitalG LP (*supra*), but also the Division Bench of the High Court of Telangana in Sri Venkataramana Reddy Patloola (*supra*), to have consistently held that in respect of central charges and international taxation charges, the proceedings under Section 148A read with Section 148 of the Act would be required to be held in a faceless manner, applying the provisions of section 144B and as effected under the provisions of section 151A read with scheme notified by the Central Government vide a Notification dated 29 March, 2022. We accordingly reject the contentions as urged by the revenue that the present case would fall outside the applicability of the said provisions and the scheme.

19. Now coming to the facts of the case, as the notices were issued by the JAO certainly they fall outside the purview of the faceless mechanism and on that count as held in the decision of Hexaware, the same would be required to be held to be illegal and without jurisdiction. We may also observe that the proceedings would also stand covered by the decision of this Court in Kairos Properties Pvt. Ltd. v. Assistant Commissioner of Income-tax and Ors. 2 ("Kairos Properties"), in which the Court has held the scheme to be applicable to the procedure to be adopted under section 148A of the Act as well."

6. Therefore, since the notice under section 148 of the Act in the aforesaid case was issued by the JAO, the Hon'ble Jurisdictional High Court

held that they fall outside the purview of the faceless mechanism, and in the light of the decision in Hexaware Technologies Ltd (supra), the said notice is illegal and without jurisdiction. It is pertinent to note that while rendering the aforesaid findings, the Hon'ble Jurisdictional High Court also referred to its earlier decision in CapitalG LP v/s ACIT, reported in [2024] 165 taxmann.com 718 (Bom.), and the decision of the Hon'ble Telangana High Court in Sri Venkataramana Reddy Patloola v/s Dy. CIT, reported in 2024 SCC Online TS 1792.

7. Analysing the facts of the present case, in light of the aforesaid decision of the Hon'ble Jurisdictional High Court in Anilkumar Shah (supra), we find that notice dated 22/03/2024 under section 148 of the Act was issued by the JAO as against under the faceless mechanism. It is further evident that the impugned final assessment order dated 08/07/2025 was passed pursuant to the reassessment proceedings initiated vide notice dated 22/03/2024 issued under section 148 of the Act. Therefore, respectfully following the decision of the Hon'ble Jurisdictional High Court in Anilkumar Shah (supra), we are of the considered view that the notice dated 22/03/2024 issued under section 148 of the Act by the JAO is illegal and without jurisdiction being contrary to the provisions of section 151A read with the provisions of section 144B and the scheme notified by the Central Government vide notification dated 29/03/2022 under section 151A of the Act. Accordingly, the notice dated 22/03/2024 issued under section 148 of the Act by the JAO is quashed. Consequently, the final assessment order

dated 08/07/2025 passed under section 147 read with section 144C(13) of the Act is also quashed.

8. As relief is granted to the assessee for this short reason, the other grounds raised by the assessee on jurisdiction as well as on merits are rendered academic, and therefore, are kept open.

9. In the result, the appeal by the assessee is allowed.

Order pronounced in the open Court on 30/01/2026

**Sd/
OM PRAKASH KANT
ACCOUNTANT MEMBER**

**Sd/-
SANDEEP SINGH KARHAIL
JUDICIAL MEMBER**

MUMBAI, DATED: 30/01/2026

Prabhat

Copy of the order forwarded to:

- (1) *The Assessee;*
- (2) *The Revenue;*
- (3) *The PCIT / CIT (Judicial);*
- (4) *The DR, ITAT, Mumbai; and*
- (5) *Guard file.*

By Order

Assistant Registrar
ITAT, Mumbai