

**आयकर अपीलीय अधिकरण, कटक न्यायपीठ, कटक**

**IN THE INCOME TAX APPELLATE TRIBUNAL CUTTACK BENCH CUTTACK**

**BEFORE SHRI GEORGE MATHAN, JUDICIAL MEMBER**

**AND**

**SHRI MADHUSUDAN SAWDIA, ACCOUNTANT MEMBER**

**आयकर अपील सं/ITA No.135/CTK/2026**

**(निर्धारण वर्ष / Assessment Year : 2013-2014)**

<b>Vidyasagar Institute of Technical Studies,</b> Plot No.HIG-13, Jayadev Vihar, Bhubaneswar, Odisha-751030	Vs	<b>Exemption Ward, BBN/NFAC, Delhi</b>
PAN No. : <b>AABTV 0349 N</b>		
<b>(अपीलार्थी /Appellant)</b>	..	<b>(प्रत्यर्थी / Respondent)</b>
<b>निर्धारिती की ओर से /Assessee by</b>	:	Shri Jagmohan Pattnaik & Shri Biswaraj Roul, ARs
<b>राजस्व की ओर से /Revenue by</b>	:	Shri Sanjib Banerjee, Sr.DR
<b>सुनवाई की तारीख / Date of Hearing</b>	:	25/02/2026
<b>घोषणा की तारीख/Date of Pronouncement</b>	:	25/02/2026

**आदेश / O R D E R**

**Per Bench :**

This is an appeal filed by the assessee against the order of the Ld.CIT(A), National Faceless Appeal Centre (NFAC), dated 20.06.2025 for the assessment year 2013-2014.

2. At the outset, Id. AR submitted that the solitary issue involved in the appeal of the assessee is regarding the validity of issue of notice u/s.148 of the Act. Ld. AR further submitted that the notice issued by the Id. AO u/s.148 of the Act is barred by limitation and, therefore, invalid in law. Inviting attention to the copy of the notice issued u/s.148 of the Act placed at page No.64 & 65 of the paper book, the Id. AR submitted that the relevant assessment year involved is A.Y.2013-2014. It was submitted that the impugned notice u/s.148 of the Act has been issued on 30.06.2022, which is beyond six years from the end of the relevant assessment. The Id. AR

contended that as per the provisions of Section 149 of the Act, applicable to the relevant assessment year, the notice u/s.148 of the Act could not have been issued after the expiry of six years from the end of the relevant assessment year. Therefore, the impugned notice u/s.148 of the Act dated 30.06.2022 is clearly time barred. It was further submitted that since the reassessment proceedings are founded on invalid notice, the entire assessment order passed by the Id. AO is liable to be quashed. Accordingly, Id. AR prayed that the assessment be set aside/quashed on the ground that the notice u/s.148 of the Act is barred by limitation.

3. *Per Contra*, Id. Sr. DR submitted that the assessee had not complied with the notice issued during the assessment proceedings before the AO as well as during the appellate proceedings before the Id. CIT(A). Id. Sr. DR supported the order of the lower authorities and submitted that in view of the non-cooperation of the assessee, the action of the Id. AO in completing the assessment cannot be faulted. Therefore, he prayed that the order of the Id. CIT(A) confirming the reassessment be upheld.

4. We have considered the rival submissions and perused the material available on record. The solitary issue before us for consideration is whether the notice issued u/s.148 of the Act dated 30.06.2022 for assessment year 2013-2014 is within the period of limitation prescribed under the Act. In this regard, we have gone through the impugned notice issued u/s.148 of the Act placed at page Nos.64 & 65 of the paper book which is to the following the effect :-

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Annexure-D



GOVERNMENT OF INDIA  
OFFICE OF THE INCOME TAX OFFICER (EXEMPTIONS), WARD,  
Room No.316/317, 3rd Floor, Pratyksha Kar Bhawan,  
Inside Regional Telecom Training Centre, BSNL,  
Vani Vihar, Bhubaneswar - 751 007  
Phone-0674-2589154

To,  
VIDYASAGAR INSTITUTE OF TECHNICAL STUDIES  
PLOT NO. HIG-80, JAYDEV VIHAR  
BHUBANESWAR- 751030

PAN : AABTV0349N	A.Y.2013-14	Dated 30.06.2022	DIN & Notice No.
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**Notice under section 148 of the Income-tax Act, 1961**

Sir/ Madam/ M/s.

1. (A) 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 (hereinafter referred to as "the Act") for Assessment Year 2013-14 :-

- Information flagged by the risk management strategy formulated in this regard;
- Final objection has been raised by the Comptroller and Auditor General of India to the effect that the assessment has not been made in accordance with the provisions of Act;
- A survey was conducted under section 133A of the Act, other than under section 133A (2A) or section 133A(2A) or section 133A(3) of the Act,
- Information which requires action in consequence of the judgement of the Hon'ble Supreme Court in the case Union of India Vs. Ashish Agarwal, Civil Appeal 3005/2022, dated 4th May, 2022.



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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 DM ITBA/COM/F/17/2022-23/1043688888(1) dated 30.06.2022 and annexed herewith for reference,

(B)  I have information that a search was initiated under section 132 of the Act in your case or in the case of the person in respect of which you are assessable under the Act on the date \_\_\_\_\_.

(C)  I have information that books of accounts, other documents or any assets have been requisitioned under section 132A of the Act in your case or in the case of the person in respect of which you are assessable under the Act.


(D)  I am satisfied, with the approval of Principal Commissioner or Commissioner, that money, bullion, jewellery or other valuable article or thing, seized or requisitioned under section 132 or section 132A of the Act in case of \_\_\_\_\_ relate to you or the person in respect of which you are assessable under the Act.


(E)  I am satisfied, with the approval of Principal Commissioner or Commissioner, that books of accounts or documents, seized or requisitioned under section 132 or section 132A of the Act in case of \_\_\_\_\_ pertains or pertain to, or any information contained therein, relate to you or the person in respect of which you are assessable under the Act.

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 2013-14 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 2013-14.

3. This notice is being issued after obtaining the prior approval of the Pr. Chief Commissioner of income-tax, (Exemptions), Delhi accorded vide e-mail date 30.06.2022 .

Place : Bhubaneswar  
Date : 30.06.2022



  
 ( R. L. Patil )  
 Income-tax Officer, (Exemptions) Ward,  
 Bhubaneswar.

5. On perusal of the above notice, it is evident that the relevant assessment year involved is assessment year 2013-2014 and the date of issue of notice u/s.148 of the Act is dated 30.06.2022. As the relevant assessment year in present appeal is A.Y.2013-2014, which is prior to Assessment Year beginning on or after 01/04/2021, in accordance with the first proviso to Section 149 of the Act, the provisions of Section 149 of the Act which was existing immediately before the amendment made by the

Finance Act, 2021 w.e.f 01.04.2021 will be applicable in the present case. Therefore, it is crucial to go through the provision of Section 149 of the Act, which is applicable for the relevant assessment year, which is to the following effect:-

### **Section - 149**

#### ***Time limit for notice.***

**149.** (1) *No notice under section 148 shall be issued for the relevant assessment year,—*

*(a) if four years have elapsed from the end of the relevant assessment year, unless the case falls under clause (b) or clause (c);*

*(b) if four years, but not more than six years, have elapsed from the end of the relevant assessment year unless the income chargeable to tax which has escaped assessment amounts to or is likely to amount to one lakh rupees or more for that year;*

*(c) if four years, but not more than sixteen years, have elapsed from the end of the relevant assessment year unless the income in relation to any asset (including financial interest in any entity) located outside India, chargeable to tax, has escaped assessment.*

*Explanation.—In determining income chargeable to tax which has escaped assessment for the purposes of this sub-section, the provisions of Explanation 2 of section 147 shall apply as they apply for the purposes of that section.*

*(2) The provisions of sub-section (1) as to the issue of notice shall be subject to the provisions of section 151.*

*(3) If the person on whom a notice under section 148 is to be served is a person treated as the agent of a non-resident under section 163 and the assessment, reassessment or recomputation to be made in pursuance of the notice is to be made on him as the agent of such non-resident, the notice shall not be issued after the expiry of a period of six years from the end of the relevant assessment year.*

*Explanation.—For the removal of doubts, it is hereby clarified that the provisions of sub-sections (1) and (3), as amended by the Finance Act, 2012, shall also be applicable for any assessment year beginning on or before the 1st day of April, 2012.*

6. On perusal of the provisions of Section 149 of the Act, it is evident that the notice u/s.148 of the Act could not be issued after the expiry of six years from the end of relevant assessment year. In the present case, six years from the end of the relevant assessment year expired on 31.03.2020, however, the impugned notice u/s.148 of the Act has been issued on 30.06.2022, which is clearly beyond the prescribed limitation period. Further, the contention of the Id. Sr. DR regarding non-compliance by the assessee cannot cure a jurisdictional defect arising from the issuance of time barred notice. It is well settled that reassessment proceedings initiated on the basis of notice issued beyond the period of limitation is *void ab initio* and liable to be quashed. Since the main foundation of the reassessment proceedings, namely the notice issued u/s.148 of the Act, is invalid in law, the consequential assessment order passed by the Id. AO cannot be sustained. Accordingly, we hold that the notice issued u/s.148 of the Act dated 30.06.2022 is barred by limitation and is invalid. Consequently, the reassessment order passed pursuant thereto is quashed.

7. In the result, appeal of the assessee stands allowed.

Order dictated and pronounced in the open court on 25/02/2026.

Sd/-  
**(GEORGE MATHAN)**

न्यायिक सदस्य / JUDICIAL MEMBER

Sd/-  
**(MADHUSUDAN SAWDIA)**

लेखा सदस्य/ ACCOUNTANT MEMBER

Cuttack दिनांक Dated 25/02/2026

*Prakash Kumar Mishra, Sr.P.S.*

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

1. अपीलार्थी / The Appellant -
2. प्रत्यर्थी / The Respondent-
3. आयकर आयुक्त(अपील) / The CIT(A),
4. आयकर आयुक्त / CIT

5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, कटक / DR, ITAT, Cuttack
6. गार्ड फाईल / Guard file.

सत्यापित प्रति //True Copy//

आदेशानुसार/ BY ORDER,

(Assistant Registrar)

आयकर अपीलीय अधिकरण, कटक/ITAT, Cuttack