

**IN THE INCOME TAX APPELLATE TRIBUNAL “G” BENCH, MUMBAI**

**BEFORE SHRI ANIKESH BANERJEE, JM  
AND  
SHRI ARUN KHODPIA, AM**

**ITA No.8221/MUM/2025**  
(Assessment Year: 2016-17)

<b>Senthilkumar Thangaraj</b> 204, B-Wing, Eshwari Co-op Society, Rajendra Prasad Nagar, 60 feet Road, Matunga Labour Camp, Mumbai 400019.	Vs.	<b>ITO-WARD 42(3)(3), Mumbai</b> Room No. 610, Kautilya Bhavan, C- 41 to C-43, G-Block, BKC, Bandra (East), Mumbai-400051
<b>PAN/GIR No. ALNPT1800D</b>		
<b>(Appellant)</b>	:	<b>(Respondent)</b>
<b>Assessee by</b>	:	Shri. Himanshu Gandhi
<b>Respondent by</b>	:	Shri. Sanjeev Bhagat – Sr. AR
<b>Date of Hearing</b>	:	05/03/2026
<b>Date of Pronouncement</b>	:	06 /03/2026

**ORDER**

**Per: Anikesh Banerjee, JM:**

The instant appeal of the assessee was preferred against the order of the National Faceless Appeal Centre (NFAC), Delhi order passed u/s. 250 of the Income Tax Act, 1961 (for brevity, “the Act”) for Assessment Year 2016-17, date of Order 18/09/2025. The impugned order emanated from the Assessment Unit, Income Tax Department (for brevity “Ld. AO”), order passed u/s. 147 r.w.s. 144 r.w.s, 144B of the Act), date of the order 26/03/2023.

2. Brief facts of the case are that the assessee is a salaried individual who filed the return of income under section 139 of the Act, declaring total income of



Rs.7,01,880/-. The assessee claimed deduction of Rs.1,55,330/- under Chapter VI-A of the Act against the gross total income of Rs.8,57,211/-. Subsequently, the Ld. AO initiated reassessment proceedings by issuing notice under section 148 of the Act on the ground that income amounting to Rs.2,03,816/- had escaped assessment. During the course of assessment proceedings, the assessee could not appear before the Ld. AO. Consequently, the impugned assessment order was passed ex parte, wherein the Ld. AO made an addition on account of purchase of property amounting to Rs.47,00,000/- and also rejected the assessee's claim of deduction under Chapter VI-A of the Act. Aggrieved by the assessment order, the assessee preferred an appeal before the Ld. CIT(A), raising both legal as well as merit-based grounds. The Ld. CIT(A) rejected the legal grounds raised by the assessee but, on merits, set aside the additions to the file of the Ld. AO for de novo assessment. Being further aggrieved by the impugned appellate order, the assessee has preferred the present appeal before us.

3. The learned Authorised Representative (Ld. AR) submitted that the assessee has filed a **paper book** comprising **pages 1 to 51**, which has been placed on record. The Ld. AR primarily challenged the jurisdiction assumed by the Ld. AO in issuing notice under section 148 of the Act, contending that the alleged escapement of income was less than Rs.50 lakh. It was submitted that the notice issued under section 148 of the Act dated 27.07.2022 has been placed in the paper book at **page 73**. The Ld. AR contended that for AY 2016-17, the reopening proceedings were initiated on 27.07.2022 on the basis of the belief that income amounting to Rs.2,03,816/- had



escaped assessment under section 147 of the Act. According to the Ld. AR, since the alleged escapement of income is less than Rs.50 lakh, the issuance of notice beyond three years from the end of the relevant assessment year is barred by limitation. Therefore, the Ld. AO has wrongly assumed jurisdiction under section 148 of the Act.

4. In support of the above contention, the Ld. AR respectfully placed reliance on the decision of the Coordinate Bench of the ITAT, Mumbai, D-Bench in the case of **Manojbhai Parsottambhai Poriya v. ITO (ITA No. 1731/Mum/2025, AY 2017-18, order dated 15.05.2025)**. The relevant observations of the Coordinate Bench are reproduced hereunder:

*3. We have heard the rival submissions. At the outset, it has been mentioned by Ld. AR that since the amount involved in this case is less than Rs. 50,00,000/- and more than three years period has elapsed after AY 2017-18, therefore, the notice u/s 148 could not have been issued on 20.07.2022 i.e. beyond three years as per the provisions of the Act. Ld.AR has placed reliance on the decision of the Hon'ble Apex Court in the case of UOI v/s Rajiv Bansal (2024) 167 taxmann.com 70 as well as the decision of the coordinate bench in the case of Amina Aslam Qureshi v/s ITO 769/Mum/2025. Relevant portion of the decision of the coordinate bench is reproduced below:*

*5.5. On perusal of para 60 reproduced herein above it is noted that Hon'ble Court categorically observed the time limit prescribed for issuing reassessment notices u/s.149 shall operate retrospectively for three years for all situation and six years for the case where the escaped assessment is likely to exceed rupees fifty lakhs. In the present facts of the case the revenue issued notice to the assessee on 29/07/2022 under the amended law. However, in respect of the amended law the three period already expired 3year period on 30/06/2021 then for validating the said notice the second condition must be satisfy in respect of the monitory limit regarding the income that escaped assessment. In the present facts of the case it is noted that the income that was said to have escaped assessment as per reasons recorded was Rs.26,46,000/-. Thus the notice issued beyond period of 3 years under the new law in the present facts of the case cannot be upheld.*



7. We therefore do not find any reason not to uphold the argument advanced by the Ld.AR. Accordingly the notice issued under section 148 for assessment year under consideration is held to be invalid and the consequent assessment order passed under section 147 read with section 144B of the is liable to be quashed.

8. As the assessment orders under section 147 stands quashed, the addition challenged by the assessee on merits becomes infructuous.

4. Respectfully following the decision of the coordinate bench, we hereby hold that the notice u/s 148 issued in this case is invalid as the income that was stated to have escaped assessment as per the reason recorded was less than Rs. 50,00,000/- and therefore, notice u/s 148 could not have been issued beyond the period of three years as per the new law.

5. In the result, the appeal of the assessee is allowed.”

5. The Ld. DR argued and stands in favour of the orders of revenue authorities. The Ld. DR contended that on merit, the Ld. CIT(A) setaside the appeal before the Ld. AO. So, no further interference is required in assessee's case. The Ld. CIT(A) duly dealt and considered the legal issue agitated by the assessee which is note in paragraph no. 5.4 of the impugned appellate order. The relevant paragraph no. 5.4 of the impugned appellate order is reproduced as below:

“5.4. Vide grounds no.1 & 2 and additional grounds raised in the written submission the appellant has challenged the legal validity for issue of notice u/s 148/148A of the Act. The contention so raised has been given deep thoughts about it. Additionally, attention is given to the para no. 1.5, to 1.8 of the AO's order wherein complete facts and circumstances explaining the legality of the matter has been discussed and which has also categorically stated that order u/s 148(a) was passed on 27.07.2022 followed by issue of notice u/s 148 on the same date and there was no response nor any return in response to notice u/s 148 was filled by the appellant. Further, it is observed that the AO had diligently and following the due procedure as laid down in the Finance Act 2021, guidelines issued by the Hon'ble Apex Court in the Union of India vs. Ashish Aggarwal (2022) 138 Taxmann.com 64 (SC) and in the case of Unionof India vs. RC Aggarwal (SC, 2023) as well as the relevant applicable provisions of the Act and as per the



*CBDT's circular on the issue. Having said this it is evident that the legal grounds no. 1 to 2 of appeal and similar legal issues vide written submission filed by the appellant are liable to be dismissed.”*

6. We have heard the rival submissions and perused the material available on record. The assessee filed the return of income under section 139(1) of the Act. Subsequently, the assessment was reopened by the Ld. AO by issuing notice under section 148 of the Act on the ground of alleged escapement of income amounting to Rs.2,03,816/-, which is below the monetary threshold of Rs.50 lakhs prescribed under the Act. It is observed that the notice under section 148 was issued on 27.07.2022, which is beyond a period of three years from the end of the relevant assessment year. The issue involved is no longer *res integra*. An identical issue has been duly examined and adjudicated by the Coordinate Bench in the case of **Manojbhai Parsottambhai Poriya** (supra). Respectfully following the decision of the Coordinate Bench, we hold that the Ld. AO has wrongly assumed jurisdiction by issuing the notice under section 148 of the Act. Accordingly, the notice issued under section 148 is held to be time-barred and the jurisdiction assumed by the Ld. AO is bad in law. Consequently, the impugned appellate order is set aside and the addition made by the Ld. AO is hereby quashed. Since the legal issue has been decided in favour of the assessee, the grounds raised on merits become purely academic in nature and are therefore left open.



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7. In the result, the appeal of the assessee bearing **ITA No.8221/Mum/2025** is allowed.

*Order pronounced on open court 06.03.2026*

Sd/-  
**(ARUN KHODPIA)**  
**ACCOUNTANT MEMBER**

Sd/-  
**(ANIKESH BANERJEE)**  
**JUDICIAL MEMBER**

Mumbai; Dated: 06.03.2026  
Aditi N. Pandare (Private Secretary)

**Copy of the Order forwarded to:**

1. The Appellant
2. The Respondent
3. CIT- concerned
4. DR, ITAT, Mumbai
5. Guard File

BY ORDER,

(Dy./Asstt.Registrar)  
ITAT, Mumbai



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*Senthilkumar Thangaraj, Mumbai*