

IN THE INCOME TAX APPELLATE TRIBUNAL "D" BENCH, KOLKATA

**BEFORE SHRI RAJESH KUMAR, AM
AND
SHRIPRADIP KUMAR CHOUBEY, JM**

**ITA No.3032/KOL/2025
(Assessment Year: 2017-18)**

Ranjit Gupta
Raikot Para Raikot Para,
Jalpaiguri, P.S. Kotwali,
Jalpaiguri-735101, West Bengal

Vs.

ITO Ward, 1(1)
CIT, C R Building, Race Course
Road, Jalpaiguri,
Kolkata-735101, West Bengal

(Appellant)

(Respondent)

PAN No. AGEPG5964B

Assessee by : Shri Akshay Ringasia, AR
Revenue by : Shri Monalisa Pal Mukherjee, DR

Date of hearing: 26.02.2026
Date of pronouncement: 15.04.2026

ORDER

Per Rajesh Kumar, AM:

This is an appeal preferred by the assessee against the order of the National Faceless Appeal Centre, Delhi (hereinafter referred to as the "Ld. CIT(A)") dated 26.08.2025 for the AY 2017-18.

2. At the outset, we note that the appeal of the assessee is barred by limitation by 40 days. At the time of hearing the counsel of the assessee explained the reasons for delay in filing the appeal by referring to condonation petition. The Ld. D.R did not raise any objection to condoning the delay. After hearing the rival contentions and perusing the materials available on record, we find that the delay is for bonafide and genuine reasons and hence, we condone the delay and admit the appeal for adjudicate.

3. At the time of hearing, the assessee raised additional ground which is extracted below:

"1. "That on the facts and in the circumstances of the case and in law, the reassessment order dated 31.03.2022 passed under section 147 read with section 144B of the Income-tax Act, 1961 by the National Faceless Assessment Centre is without jurisdiction, void ab initio and liable to be quashed, as the assumption of jurisdiction by NFAC was prior to 29.03.2022, when no notification under section 151A of the Act was in force authorising faceless reassessment proceedings."

2. That the entire assessment order should be declared null and void as the SCN issued under 144B provided assessee with only 1 day to reply in violation of provisions of section 144B and principles of natural justice."

4. After hearing the rival contentions and perusing the material on record, we find that the assessee has raised the above additional ground of appeal challenging the jurisdiction of the NFAC to make addition. In our opinion the issue raised in the additional ground is a purely a legal issue qua which all the facts are available in the appeal folder and no further verification of facts are required from any quarter whatsoever. In our considered view the assessee is at liberty to raise any legal issue before any appellate authority for the first time even when the same has not been raised before the lower authorities. The case of the assessee is squarely covered by the decisions of the Apex court in the case of i) Jute Corporation of India Ltd. Vs CIT in 187 ITR 688 , ii) National Thermal Power Co. Ltd v. CIT [1998] 229 ITR 383 and also by the decision of Hon'ble Calcutta High Court in PCIT vs. Britannia Industries Ltd. [2017] 396 ITR 677 (Cal). Therefore, we are inclined to admit the same for adjudication.
5. The Id. Counsel for the assessee pressed only one issue which is against the invalid assessment framed by the National Faceless Appeal Centre, Delhi [the learned CIT (A)] vide order dated 31.03.2022, which is without jurisdiction and is accordingly, invalid as assumption of jurisdiction was prior to 29.03.2022.

6. The facts in brief are that the department was in possession of the information that the assessee has deposited ₹15,40,000/- into the bank account during the year and has not filed any return of income. Accordingly, the income to that extent has escaped assessment. The case of the assessee was reopened u/s 147 of the Act by issuing notice u/s 148 of the Act on 30.03.2021, which was not complied with. Thereafter, notice u/s 142(1) dated 16.11.2021 was issued and the assessee responded the same on 17.01.2022 by filing his submissions along with bank statement of Account No.4000881430000131 maintained with Uttar Banga Kshetriya Gramin Bank, Haldibari Branch and Account No.50326347248 maintained with Allahabad Bank, Jalpaiguri Branch. During the course of assessment proceedings it was found that assessee deposited cash of ₹₹44,21,000/- in Uttar Banga Kshetriya Gramin Bank during the period 09-11-2016 to 30-12-2016 and same was not disclosed in his return income for the impugned assessment year. Thereafter, a show cause notice was issued to the assessee and asked for explanation/evidence/submissions from the assessee with respect to the said cash transactions, which was not responded. The Id. AO added the amount of ₹44,21,000/- as unexplained money to the income of the assessee in the assessment framed.
7. In the appellate proceedings, the Id. CIT (A) confirmed the order of the Id. Assessing Officer
8. After hearing the rival contentions and perusing the materials available on record, we find that the assessment has been framed by the National Faceless Assessment Centre vide order dated 31.03.2022, which in our opinion, is without jurisdiction as the Provisions of Section 151A of the Act which provides for faceless assessment were notified from 29.03.2022 vide notification no.

18/2022/F. No. 370142/16/2022-TPL(Part) though the same were brought on statute book by the Taxation and Other Law (realization and amendment of certain provisions) Act, 2020 with effect from 01.11.2020. Considering these facts, the assessment framed by the National Faceless Appeal Centre is null and void as the same is without jurisdiction and cannot be sustained. The case of the assessee find support from the decision of the co-ordinate Bench in case MD Mahimud SK Vs ITO ITA No. 2230 & 2229/Kol/2024 order dated 4.3.2025. Similarly, the Telangana High Court in case of Kankanala Ravindra Reddy vs. Income-tax Officer [2023] 156 taxmann.com 178 (TELANGANA)/[2023] 295 Taxman 652 (TELANGANA)[14-09-2023], Hon'ble jurisdictional Jurisdictional High Court in case of Triton Overseas (P.) Ltd. vs. Union of India [2023] 156 taxmann.com 318 (Calcutta)[13-09-2023], Bombay High Court in Samp Furniture (P.) Ltd. vs. Income-tax Officer [2025] 477 ITR 187 (Bombay)[05-08-2024] laid the same ratio.

8.1. Therefore, respectfully following the above decisions , we quash the assessment framed by the AO/ NFAC.

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

Order pronounced on 15.04.2026.

Sd/-
(PRADIP KUMAR CHOUBEY)
(JUDICIAL MEMBER)

Sd/-
(RAJESH KUMAR)
(ACCOUNTANT MEMBER)

Kolkata, Dated: 15.04.2026

Sudip Sarkar, Sr.PS



Copy of the Order forwarded to:

1. The Appellant
2. The Respondent
3. CIT
4. DR, ITAT,
5. Guard file.

True Copy//

BY ORDER,

Asst. Registrar
Income Tax Appellate Tribunal, Kolkata