

**आयकर अपीलीय अधिकरण, कोलकाता पीठ, कोलकाता**

**IN THE INCOME TAX APPELLATE TRIBUNAL "A" BENCH KOLKATA**

**Before Shri Rajesh Kumar, Accountant Member and  
Shri Pradip Kumar Choubey, Judicial Member**

**ITA No.2776/Kol/2025  
Assessment Year: 2017-18**

**Anshul Kumar Rathi.....Appellant  
M/s Kalidas Rathi, Old Manbazar Road,  
Purulia-723101.  
[PAN: AEPPR2606Q]**

**vs.**

**ITO, Ward-3(2),Purulia.....Respondent**

**Appearances by:**

ShriSunil Surana, FCA, appeared on behalf of the appellant.

Shri Pankaj Pandey, Sr. DR, appeared on behalf of the Respondent.

Date of concluding the hearing :April 23, 2026

Date of pronouncing the order : May 21,2026

**ORDER**

**Per Rajesh Kumar, Accountant Member:**

The present appeal has been preferred by the assessee against the order of the NFAC, Delhi (hereinafter referred to as the "Ld. CIT(A)") dated 13.10.2025 passed u/s 250 of the Income Tax Act (hereinafter referred to as the 'Act') for the A.Y 2017-18.

2. The first issue raised is against the assumption of jurisdiction by the Assessing Officer ITO, Ward-3(2), Purulia u/s 147 of the Act by issuing notice u/s 148 instead of ACIT/DCIT, Circle-3, Asansol as the returned income of the assessee was above Rs.20.93 lakh.

3. We have heard the rival submissions. We find that in this case, the assessee has challenged the jurisdiction of the AO i.e. ITO ward-3(2), Purulia to issue notice u/s 148 of the Act. We find the contention of the assessee to be true that the notice issued u/s 148 of the Act by the ITO, Ward-3(2), Purulia is without jurisdiction. The assessee has argued that

the AO has no jurisdiction to issue to said notice as the income of the assessee as per the return of income was Rs.20,93,370/-. Therefore notice issued by ITO, Ward-3(2), Purulia u/s 147 of the Act by issuing notice u/s 148 instead by ACIT/DCIT, is invalid on the ground of being in violation of pecuniary jurisdiction of the CBDT instruction No.1/2011 (F. No. 187/12/2010-IT(A-1), Dated 31.01.2011. According to the said instruction, the ITO has pecuniary jurisdiction where the income is upto 20 lacs in the Metro Cities and 15 lacs in Mofussil areas whereas the DC/AC have jurisdiction above 20 lacs in Metro cities and above 15 lacs in the Mofussil areas. The said instructions reads as under:-

**SECTION 119 OF THE INCOME-TAX ACT, 1961 – INCOME-TAX AUTHORITIES –  
INSTRUCTIONS TO SUBORDINATE AUTHORITIES  
INSTRUCTION NO. 1/2011 [F. NO. 187/12/2010-IT(A-1)], DATED 31-1-2011**

References have been received by the Board from a large number of taxpayers, especially from mofussil areas, that the existing monetary limits for assigning cases to ITOs and DCs/ACs is causing hardship to the taxpayers, as it results in transfer of their cases to a DC/AC who is located in a different station, which increases their cost of compliance. The Board had considered the matter and is of the opinion that the existing limits need to be revised to remove the abovementioned hardship.

An increase in the monetary limits is also considered desirable in view of the increase in the scale of trade and industry since 2001, when the present income limits were introduced. It has therefore been decided to increase the monetary limits as under:

|                       | <i>Income Declared (Mofussil areas)</i> |                   | <i>Income Declared (Metro cities)</i> |                   |
|-----------------------|-----------------------------------------|-------------------|---------------------------------------|-------------------|
|                       | <i>ITOs</i>                             | <i>ACs/DCs</i>    | <i>ITOs</i>                           | <i>DCs/ACs</i>    |
| Corporate returns     | Upto Rs. 20 lacs                        | Above Rs. 20 lacs | Upto Rs. 30 lacs                      | Above Rs. 30 lacs |
| Non-corporate returns | Upto Rs. 15 lacs                        | Above Rs. 15 lacs | Upto Rs. 20 lacs                      | Above Rs. 20 lacs |

Metro charges for the purpose of above instructions shall be Ahmedabad, Bangalore, Chennai, Delhi, Kolkata, Hyderabad, Mumbai and Pune.

The above instructions are issued in supersession of the earlier instructions and shall be applicable with effect from 1-4-2011.

3.1 Therefore assessment framed accordingly by the NFAC is in violation of the CBDT Instruction No.1/2011 (F. No. 187/12/2010-IT(A-1), Dated 31.01.2011. Therefore the assessment framed is invalid and cannot be sustained. The assessee relied on the decision of Hon'ble Jurisdictional High Court in case of CIT Vs. Raghvendra Mohta in IA No.: Ga/1/2025, GA/2/2025 pronounced on 05.05.2025. The case of the assessee find support from the decision of the Hon'ble Calcutta High Court in the case of PCIT vs. M/s Shree Shoppers Ltd. in ITAT 39/2023, IA No. GA/1/2023, dated 15.03.2023, wherein the Hon'ble Court has decided the issue in favour of the assessee by upholding the order of the Tribunal. The Tribunal in ITA No. 865/KOL/2018 for A.Y. 2012-13 in case of M/s Shree Shoppers Ltd. Vs. DCIT has held that notice issued by ITO, Ward 39(4), Kolkata, u/s 143(2) of the Act was without valid jurisdiction and therefore the consequent assessment framed by the DCIT, circle 9(2), Kolkata is invalid. The Hon'ble Tribunal followed the decision of jurisdictional High Court in case of PCIT vs. Nopany& Sons (2022) 136 taxmann.com 414 (Cal), while passing the order.

3.2 Considering the facts and circumstances of the case and also relying on the above decisions, we hold that the notice issued u/s 148 of the Act and the consequent assessment framed by NFAC are invalid and accordingly quashed.

4. At the time of hearing, the ld. Counsel for the assessee raised another issue which is against the invalid assessment framed by the National Faceless Appeal Centre, Delhi [the learned CIT (A)] vide order dated 28.03.2022, even prior to 29.3.2022 when the provisions of section 151A were notified and therefore the assessment framed is without jurisdiction and is accordingly, invalid.

5. 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 28.03.2022, 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 the above facts, the assessment framed by the National Faceless Appeal Centre is null and void as the same is without jurisdiction and cannot be sustained.

6. Therefore on both the counts the assessment framed is nullity and bad in law. According we quash the notice issued u/s 148 of the Act and also the consequent assessment.

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

***Kolkata, the 21<sup>st</sup> May, 2026.***

Sd/-  
[Pradip Kumar Choubey]  
Judicial Member

Sd/-  
[Rajesh Kumar]  
Accountant Member

Dated: 21.05.2026.

RS

*Copy of the order forwarded to:*

1. Appellant -
2. Respondent -
3. CIT(A)-
4. CIT- ,
5. CIT(DR),

//True copy//

By order

Assistant Registrar, Kolkata Benches