IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCHES 'E', NEW DELHI

Before Sh. Raj Kumar Chauhan, Judicial Member
&
Sh. Brajesh Kumar Singh, Accountant Member

I.T.A. No. 3413/Del/2025: Asstt. Year: 2017-18

Dev Raj Sharma, H. No. A-9/91, Gali No. 09, Bhajanpura, Delhi 110053	Vs	Commissioner of Income Tax (Appeals), Delhi
(APPELLANT)		**(RESPONDENT)**
PAN No. APSPS 2551P		

Assessee by: Ms. Bharti Sharma, Adv.,
Sh. Yatish Sharma, Adv. &
Sh. Vijay Kumar Sharma, C.A.
Revenue by: Ms. Ankush Kalra, Sr. D.R.

Date of Hearing: 03.03.2026		**Date of Pronouncement: 20.05.2026**

ORDER

Per Raj Kumar Chauhan, Judicial Member:

The appeal is directed against the order dated 26.03.2025 of Ld. Commissioner of Income Tax (Appeals)/National Faceless Appeal Centre, Delhi [hereinafter referred to as the "CIT (A)/NFAC"] passed u/s 250 of the Income Tax Act, 1961 [hereinafter referred to as "the Act"] wherein the addition made in the assessment order at Rs.84,56,000/- was confirmed and the Assessment Order dated 30th March, 2022 was upheld.

2. The brief facts as culled out from the order of the authorities below are that for the concerned year the appellant

filed his ITR u/s 139(1) of the Act declaring total income of Rs. 7,15,670/-. No scrutiny assessment was made in his case, however proceedings u/s 147 of the Act were initiated in his case by issuance of notice u/s 148 of the Act dated 31.03.2021 because information was provided by the I & CI, Delhi that during the year the assessee has sold an immovable property for Rs. 12,00,000/- whereas the circle rate of the property was Rs.22,50,000/-. As per the provisions of section 50C of the Act, the assessee had not declared capital gain on sale of property, thus the JAO has initiated action u/s 147 of the Act, requiring the assessee to file his return wherein the assessee has filed his return in response to the notice u/s 148 on 21.04.2021 declaring total income of Rs. 7,15,670/-. Thereafter, notice u/s 143(2) of the IT Act dated 06.12.2021 along with the notice u/s 142(1) of the Act dated 08.02.2022 and 24.02.2022 were issued to the assessee. Along with the notice u/s 142(1) of the Act, the reasons of reopening were provided to the asessee. The ld. AO observed that the assessee has not provided any documentary evidences in pursuance of notice u/s 142(1) and was again vide notice dated 19.03.2022 was asked to provide the relevant details. In pursuance of the same along with the reply dated 19th March, 2022, provided a signed copy of valuation report of the property; the said valuation report was not accepted as it was not having valuer's signature and the said record has been

prepared on the basis of information and documents supplied by the owner and no independent inquiry of the documents has been done by the valuer. Accordingly, the addition was made u/s 50C of the Act of Rs. 10,50,000/-. A penalty proceedings u/s 270A of the Act was initiated separately for under reporting the income. Further the assessee has failed to show the source of cash deposits of Rs.20,31,000/- in the concerned assessment year which was added to the income along with Rs.53,25,000/- as assessee has failed to show the source of purchase of mutual fund of Rs. 65,00,000/-. The documents submitted in that regards were found satisfactory only for Rs. 11,75,000/- and the remaining balance of amount of Rs. 53,25,000/- is added to the total income of the assesseee u/s 69 of the Act. Thus the total addition of Rs. 84,56,000/- were made and penalty proceedings were initiated separately.

3. Aggrieved by the assessment order, the assessee filed an appeal before the ld. CIT(A) in which raised various grounds questioning the legality of the proceedings u/s 147/148 on the ground that the reasons for reopening were undated and the approval u/s 151 of the Act by the ACIT is undated and is given in a mechanical manner. The ld. CIT(A) has dismissed the grounds raised with regard to the legality of reassessment proceedings but has not discussed about the undated reasons to

believe and undated approval u/s 151 of the Act. The ld. CIT(A) has confirmed the addition made u/s 50C of the Act with regard to the addition made on account of cash deposit of Rs.20,31,000/-, the ld. CIT(A) did not accept the claim of the assessee/appellant that the said amount was deposited because he has given loan to two persons who had submitted the confirmation and the said amount pertains to the repayment of the loan amount by them. The claim of the assessee was denied because the signature on confirmation of these persons Mr. Ravinder Singh and Mr. Manjit Singh on a comparison vis-a-vis genuine signature on their PAN cards were not found to be correct. Further no evidence has been brought on record that the source of retuning of the loan to the appellant by above two persons in cash, hence the addition made by the AO on that count was confirmed. Regarding the addition of Rs. 53,25,000/- as unexplained investment u/s 69 of the Act, the claim of the assessee to the extent of Rs. 38,70,000/- was accepted on the basis of maturity of FDR and for the remaining balance amount, the addition was confirmed, thus the appeal of the assessee was partly allowed.

4. Aggrieved by the impugned order the assessee is in appeal has raised the following grounds of appeal:

"1. That the order passed by the Ld. Commissioner of Income Tax (Appeals) (herein after referred to as "the CIT(A)") dated 26.03.2025allowing partially the prayer of the assesse is not maintainable, as per the provisions of Section 144/147 of the Income Tax Act, 1961 (herein after referred to as "Act), It is erroneous and bad in law and on facts of the case and, hence not sustainable in the eyes of the Law.

2. That the Ld. CIT (A) has erred in law and on the facts by not allowing the prayer in full and giving only a partial relief, thereby upholding the impugned assessment order dated 30.03.2022 without appreciating that the impugned assessment order is without jurisdiction, bad in law and deserves to be quashed in totality since it was passed under section144/147. Without appreciating the factual position as the jurisdiction under section 147/148 was assumed without complying with the requirement of the Act as contained under these provisions.

3. The assesse in question has filed an appeal with the Hon'ble CIT for:-

3.1 Addition of INR 10,50,000/-u/s 50C of the Act during the subject year, appellant sold the rights in an immoveable property located at Rohini, Delhi at consideration of INR 12,00,000/- as against the stamp duty value of immoveable property of INR 22,50,000/- In the assessment order it was pointed out that assesee, vide his reply dated 19.03.2022 provided a signed copy of the valuation report, however the asseseee has not provided any documentary evidence of valuer signature proof and id proof, the same were provided. Apart from that a question has been raised on the terminology of the

report. On that the assesse is not having any control. The language of the certificate is governed by their professional body, hence the it is not the terminology but the opinion that has to be considered. Hence the appeal assesse to consider the submission of the assessee on merit.

3.2 Addition of INR 20,31,000 /- as unexplained investment u/s 69 of the Act. In this regard the assesee submitted the confirmation, PAN and aadhar of the persons repaying the loans from Rs. 7.40 lac to Mr. Ravinder Singh and Rs. 10 Lac to Mr. Manjit Singh. The assessee provided the PAN, aadhar and confirmation from the respective person. By giving the identity of the person giving the amount in question the assesse has discharged the onus casted on the assessee. Thereafter it is the responsibility of the department to get it substantiated. The assesse having discharged the onus casted upon him, deserve a relief, hence this payer.

3.3. Addition of INR 5325000/-as unexplained investment u/s 69 of the Act During the subject year. In this regard relief has been given for the investment of Rs 38.70 lac but a repayment of Rs 20 lac by by Sh. Rakesh Kumar, for whom a copy of account was shared has not been accepted and an addition of the balance amount of Rs (53.25-38.70) Rs 14.55 lac has been made on that account.

4. The appellant craves leave to alter, amend or any other grounds of appeal either before or during the course of hearing."

5. We have heard the ld. AR and the ld. DR. The assessee/appellant has made an application for admission of additional grounds of appeal as per Rule 11 of the Income Tax (Appellate Tribunal) Rules, 1963 and thus requested to admit the following legal grounds as under:

> *"1. That, on the facts and in the circumstances of the case and in law, the reassessment proceedings initiated under sections 148/147 of the Act are illegal, bad in law and void ab initio, as the notice under section 148 was issued without recording the reasons to believe, as mandatorily required under section 148(2) of the Act.*
>
> *1.1. That the learned CIT(A) has failed to adjudicate and appreciate that the reasons to believe supplied to the assessee during the assessment proceedings were undated and did not bear any stamp or Document Identification Number (DIN), thereby failing to establish that such reasons were recorded prior to the issuance of the notice under section 148 of the Act.*
>
> *1.2. That the learned CIT(A) has further failed to appreciate that the purported reasons to believe were vague and recorded without due application of mind, as the same were framed without conducting any prior inquiry or verification.*
>
> *2. That, on the facts and in the circumstances of the case and in law, the approval/satisfaction obtained under section 151 of the Act is mechanically granted. undated and suffers from non-application of mind, rendering the entire reassessment proceedings without jurisdiction, illegal and unsustainable in law.*
>
> *3. That, on the facts and in the circumstances of the case and in law, the reassessment proceedings were invalid and bad in law and without jurisdiction since the Id. AO failed to dispose off objections against reasons to believe and reassessment proceedings by passing a separate and speaking order."*

6. The ld. AR has argued that these grounds raised are additional grounds are purely legal and no new facts are required to be brought on record because the materials facts with regard to these legal grounds are already on record, hence relying on the decision of the Hon'ble Supreme Court in National Thermal Power Company Ltd. v. CIT 229 ITR 383 (SC) he has prayed for admission of these legal grounds.

7. The ld. DR on the other hand, opposed the prayer stating that there was no worth in these legal grounds and the same pertains to reasons for reopening and approval u/s 151 which has been rightly held to be valid by the ld. CIT(A). Hence, prayed for dismissal of the appeal.

8. We have considered the rival submissions in that regard and have noticed that these additional grounds are purely legal and factual matrix is already on record because both the grounds pertains to the legality of recording the reasons to believe which is mandatory requirement u/s 148(2) of the Act and further that the approval for reassessment obtained u/s 151 of the Act is alleged to be mechanical and undated and as such it is claimed by the assessee that there is nothing to show that the reasons of reopening and the approval u/s 151 CPC were obtained before initiating the reopening proceedings u/s 147 of the Act. On examining the grounds taken by the ld. CIT(A), we have noticed

that the ground no. 2.1 before the ld. CIT(A) pertains to the question raised in these legal grounds by way of additional grounds and the necessity, as per the assessee/appellant arose for raising the additional grounds because the ld. CIT(A) has discussed nothings regarding the undated 'reasons to believe' and the undated and mechanical approval u/s 151 of the Act.

9. In view of these facts and the submissions made and while relying the case of the Hon'ble Supreme Court in NTPC v. CIT (supra), we are inclined to admit the additional grounds as the same being purely legal grounds and no new facts are required to be brought on record.

10. We have thus heard the parties with respect to the legal grounds so raised before us as additional grounds.

11. In support of oral arguments regarding the additional ground, the ld. AR has also filed written arguments to establish before us that the revenue has failed to show that the 'reasons of reopening' were recorded prior to the issuance of notice u/s 148 of the Act which is mandatory requirement u/s 148(2) of the Act. The ld. AR has further tried to impress upon us that the approval u/s 151 which is undated and has been granted in a mechanical manner. The written arguments on both the issues of extracted below as under:

"REGARDING MERITS OF THE ADDITIONAL GROUNDS:

A. Re Grounds 1 to 1.2: Reassessment Proceedings are invalid, illegal and without jurisdiction since the purported reasons to believe supplied during the assessment proceedings do not bear any date, stamp and DIN so as to show that they were recorded prior to issuance of notice u/s 148 of the Act.

2. *In the present matter, the notice u/s 148 of the Act was issued on 31.03.2021 in response to which the assessee filed a ROI vide reply dated 21.04.2021.* ***(Refer page no. 11, 12 & 13-18 of the PB)***

3. *Thereafter, the AO issued a notice dated 143(2) dated 06.12.2021, wherein he referred and mentioned to enclose an Annexure (Reasons to believe) with the notice. However, the Annexure (Reasons to believe) attached with the said notice was completely blank. Meaning thereby no reasons to believe were provided with the notice u/s 143(2).* ***(Refer page no. 19, 20 & 21 of the PB)***

4. *The assessee vide reply dated 08.12.2021 in response to the aforesaid notice specifically asked the ld. AO to provide the Annexure containing the issues on which verification is required as referred to in the notice u/s 143(2) of the Act.* ***(Refer page no. 28 of the PB)***

5. *Thereafter, the Assessing Officer supplied the Annexure (Proforma for "Reasons to Believe" and approval under section 151 of the Act) vide notice dated 08.02.2022,* ***which is enclosed at pages 32–33 and 34 of the Paper Book.*** *A bare perusal of the reasons to believe and the approval so supplied clearly shows that both are undated, unstamped, and recorded in a casual and mechanical manner. Further, the same do not bear any Document Identification Number (DIN), thereby failing to establish that the said reasons were actually recorded prior to the issuance of the notice under section 148 of the Act dated 31.03.2021.*

6. *Your honour will appreciate that as per Section 148(2) of the Act, the AO is mandatorily required to record his reasons before issuing notice u/s 148 of the Act. The relevant provision is reproduced as under:*

[Issue of notice where income has escaped assessment.

"148. [(2) The Assessing Officer shall, before issuing any notice under this section, record his reasons for doing so.]"

7. *Thus, it is a statutory requirement that the Assessing Officer must record valid reasons to believe prior to issuing a notice under section 148 of the Act. Further, the Assessing Officer must be able to establish that the reasons supplied to the assessee were, in fact, recorded before the issuance of the notice under section 148 of the Act, failing which the entire reassessment proceedings are rendered void ab initio.*

8. *As stated earlier, the reasons to believe were supplied nearly end of the proceedings vide notice dated 08.02.2022 through separate attachment, which contained the proforma of reasons to believe and approval obtained u/s 151 of the Act, however, both the reasons to believe as well the approval so obtained along with the attachment were undated , unstamped and did not bear any DIN, which could establish that the reasons were actually recorded before issuance of the notice u/s 148 of the Act.*

9. *The assessee had specially raised the aforesaid objection vide his reply dated 28.03.2022,* ***which is enclosed at page no. 61 of the PB****. However, the AO did not pass any order disposing of objections of the assessee against the reasons to believe. Even, the AO, at para 8, page no. 4-5 of the assessment order, in very casual manner stated that JAO had not provided the reasons at the time of issuance of notice u/s 143(2) of the Act dated 06.12.2021, He also stated that the JAO had recorded the reasons online through ITBA portal and the competent authority had online approved the reasons of reopening recorded by the JAO. The relevant para of the assessment order is reproduced as under:*

"8. Regarding the replies of SCN, on perusal of the earlier replies of the assessee, it is seen that the assessee had not raised any objection against the reassessment proceedings till 28.03.2022. ***Further, the JAO had not provided reasons of reopening at the time of issuance notice u/s 143(2) of the IT Act dated 06.12.2021, therefore, alongwith notice u/s 142(1) of the IT Act dated 08.02.2022, copy of reasons of reopening was provided to the assessee.*** *Thereafter, the assessee has filed his submission on 07.03.2022 and 19.03.2022. However, the assessee has not raised any objection.* ***Further, the JAO had recorded reasons of reopening online through ITBA portal and then after, the competent authority (i.e Addl. CIT Range-67, New Delhi) had online approved the reasons of reopening recorded by the JAO as per provisions of section 151 of the IT Act and then after, the JAO had online issued notice u/s 148 of the IT Act dated 31.03.2021. Therefore, considering the above fact, objection raised by the assessee at the time of finalization of assessment order is not found genuine."***

10. *From the above facts, it is clearly evident that the learned Assessing Officer failed to establish that the purported reasons to believe were recorded and that the approval under section 151 of the Act was obtained prior to the issuance of the notice under section 148 of the Act.*

11. *It is also pertinent to mention that the assessee had specifically raised this issue* ***vide Ground No.*** *2 before the learned CIT(A), who even reproduced the undated reasons to believe and the approval under section 151 of the Act* ***at pages 8 and 9 of his order****; however, he failed to adjudicate upon the said issue.*

12. *From the above facts, it is clearly evident that the learned Assessing Officer failed to establish that the purported reasons to believe were recorded and that the sanction under section 151 of the Act was obtained prior to the issuance of the notice under section 148 of the Act.*

13. *Thus, it is beyond any doubt that the Assessing Officer failed to record valid reasons to believe prior to the issuance of the notice under section 148 of the Act dated 31.03.2021. Consequently, in the absence of such reasons to believe, the entire reassessment proceedings are rendered invalid, unwarranted in law, and without jurisdiction.*

14. *We also place reliance upon the following judicial pronouncements where the reassessment proceedings and consequent assessment order were quashed on the ground of the undated reasons to believe.*

i. Smt. Prema Mukesh Jhalani v. ITO [2025] 176 taxmann.com 630 (Mumbai - Trib.) [16-06-2025]:

"8. At the very outset, it was argued that the reasons provided to the assessee are undated and therefore it is not possible to verify as to whether the reasons were recorded on or before 28.03.2018 i.e, prior to issuance of notice u/s 148 of the Act and *in this regard, reliance is being placed on the decision of* ***the Coordinate Bench of ITAT in***

Chiranjeev Lal Agarwal v. ITAT [IT Appeal NO. 598 (ASR) of 2015, dated 15-9-2011], *wherein it was decided as under:*

.....

9. After having meticulously gone through the orders passed by the Coordinate Bench in the case of Charanjiv Lal Aggarwa l (supra), we are of the view that ***the reassessment order is liable to be quashed as it is noticed that the reasons recorded which are at paper book page No. 213 to 214 are undated which itself proves that the AO has not applied his mind."***

ii. Charanjiv Lal Aggarwal v. ITO [2017] 54 ITR(T) 349 (Amritsar -Trib.) [15-09-2016]:

"6. From the above reasons recorded, we find that these reasons are undated, which itself prove that the Assessing Officer has not applied his mind. *Secondly, nothing appears in the reasons recorded suggesting that the Assessing Officer had made any positive enquiry before coming to the conclusion that the income chargeable to tax has escaped assessment. The Assessing Officer has reopened the case on the basis of borrowed satisfaction, which is not permissible under the law.* ***The Income-tax Appellate Tribunal, Amritsar Bench, in the case of Mohd. Yousuf Wani (supra) under similar facts and circumstances has held the assessment order bad in law."***

iii. Shri Dinesh Prabhudas Hingoo Vs. ACIT Circle -31(1) (Mumbai tribunal) dated 11.10.2024:

"5. First, we will adjudicate the appeal filed by the Assessee i.e. ITA No.667/M/2024 as this is pertains to substantive challenge of the impugned order. ***In this case, the Assessee has raised various propositions inter-alia that the reasons recorded for selection of the case under section 147/148 of the Act are undated and unsigned and therefore in view of the judgments passed by the Co-ordinate Bench of the Tribunal in the cases Shri Prahalad Singh vs ITO-3(2) [ITA No.3375/DEL/2017 & SA No.436/DEL/2017, Date. 11.05.2018] (Del-Tribunal); Sri Pinnamaraju Venkatapathi Raju vs JCIT-3(1) [ITA No. I.T.A. No.132/Vizag/2016, Date 28.02.2018] (Visakhapatnam-Tribunal) & Charanjiv Lal Aggarwal v. Income-tax Officer [2017] 88 taxmann.com 845 (Amritsar - Trib.) the assessment based on the unsigned and undated reasons is liable to be quashed being void ab-initio."***

15. *We also wish to draw your kind attention to the decision of the Hon'ble Bombay High Court in the case of* ***Sterling and Wilson (P.) Ltd. [2022] 285 Taxman 468 (Bom.) (dated 21.12.2021), wherein*** *the Hon'ble Court issued mandatory directions to the Department that the dates must be mentioned, including the date on which the officers record and sign the reasons to believe and the date on which approval under section 151 of the Act is granted. The relevant para of the decision is reproduced below:*

2. At the outset, we have to note that the undated form for recording the reasons for initiating proceeding under section 148 of the Act provided to Petitioner is at variance with the undated form for recording the reasons annexed to the Affidavit-in-Reply. A major part of paragraph 5 - finding of the Assessing Officer - and the entire paragraph 6 containing applicability of the provisions of section 147/151 to the facts of the case mentioned in the reasons annexed to the Affidavit-in-Reply are missing from the reasons annexed to the Petition though it is signed by the same Ankit Verma. ***We also note that in quite a few cases, date on the reasons or dates in the sanctions being granted are missing. Respondents are directed, henceforth, in all reasons and form for recording***

approval, the date will be mentioned including the date on which the officers have signed. Whichever authority is granting the sanction shall write the date and time digitally below the signature. Mr. Suresh Kumar is directed to convey these directions to the Principal Chief CIT and CIT(Judicial) who shall, in turn, convey to all officers in the Income-tax Department. This direction has to be followed meticulously.

16. *In view of the above facts, discussion supported by legal position, we humbly request your Honours to quash the reassessment proceedings and consequent assessment order.*

B. ***Re Ground 2: Reassessment Proceedings are invalid, illegal and without jurisdiction since the approval obtained u/s 151 was undated, mechanical in nature and does not reflect any application of mind.***

17. *The case of the assessee was reopened within four years from the end of the relevant assessment year. As per the provisions of Section 151(2) of the Act, which were applicable at the time of issuance of the notice under Section 148 of the Act dated 31.03.2021, it categorically provides that in a case other than a case falling under sub-section (1), which is applicable on reopening beyond 4 years, no notice shall be issued under section 148 by the Assessing Officer, who is below the rank of Joint Commissioner, unless the Joint Commissioner is satisfied, on the reasons recorded by such Assessing Officer, that it is a fit case for the issue of such notice. Therefore, the satisfaction of the prescribed authority i.e., JCIT, in this case, is a sine qua non for a valid approval. The competent authority must apply its mind independently on the basis of material placed before it before grant of the sanction.*

Relevant Section 151(1) of the Act is reproduced below:

[Sanction for issue of notice]

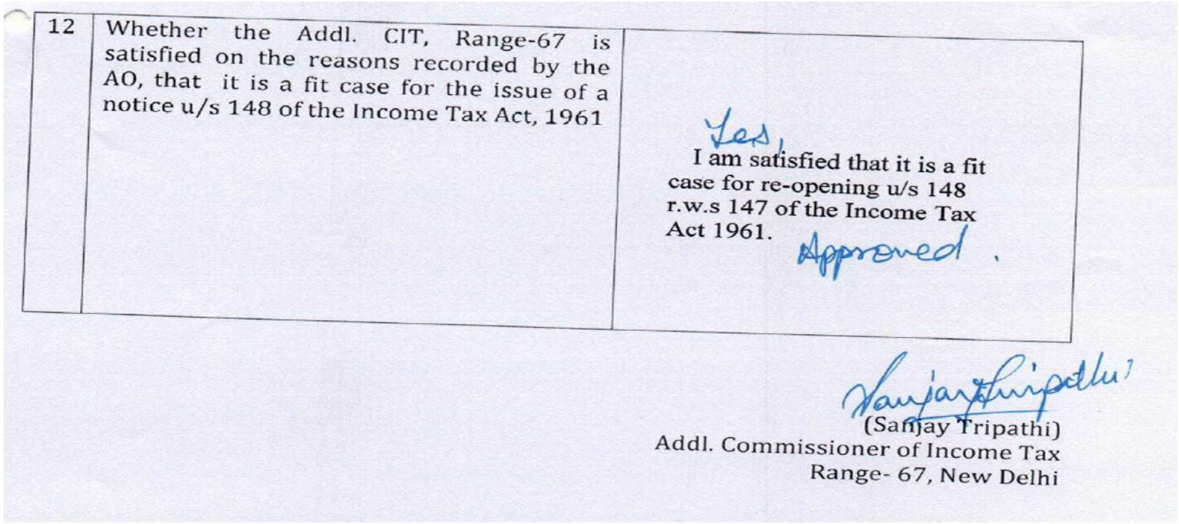
151. *(1) No notice shall be issued under section 148 by an Assessing Officer, after the expiry of a period of four years from the end of the relevant assessment year, unless the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner is satisfied, on the reasons recorded by the Assessing Officer, that it is a fit case for the issue of such notice.*

(2) In a case other than a case falling under sub-section (1), no notice shall be issued under section 148 by an Assessing Officer, who is below the rank of Joint Commissioner, unless the Joint Commissioner is satisfied, on the reasons recorded by such Assessing Officer, that it is a fit case for the issue of such notice.

(3) For the purposes of sub-section (1) and sub-section (2), the Principal Chief Commissioner or Chief Commissioner or the Principal Commissioner or Commissioner or the Joint Commissioner, as the case may be, being satisfied on the reasons recorded by the Assessing Officer about fitness of a case for the issue of notice under section 148, need not issue such notice himself.]

18. *The satisfaction of higher competent authority is a jurisdictional condition and not mere a formality. What Section 151 requires in substance is that prescribed higher authority actually applied an independent mind on the reasons to believe recorded by the AO and the material based on which such reasons were formed. That independent satisfaction so arrived at by the prescribed competent authority should be discernible from the sanction order passed under section 151. Mere stating "Yes" or "Approved" on the printed format of the reasons to believe without scrutiny and application of mind have not been accepted as valid sanction/satisfaction by the Courts across the Country.*

19. *In the present case, the sanction/satisfaction was purportedly obtained by the AO from the Addl. CIT, Range-67, New Delhi which is enclosed* ***at page no. 34 of the PB.*** *The relevant sanction/satisfaction is also attached below for your kind consideration:*



12	Whether the Addl. CIT, Range-67 is satisfied on the reasons recorded by the AO, that it is a fit case for the issue of a notice u/s 148 of the Income Tax Act, 1961	Yes, I am satisfied that it is a fit case for re-opening u/s 148 r.w.s 147 of the Income Tax Act 1961. Approved.

Sanjay Tripathi
(Sanjay Tripathi)
Addl. Commissioner of Income Tax
Range- 67, New Delhi

20. *At the very outset, the aforesaid satisfaction note is undated which itself reflects non-application of mind and failed to show when the sanction was granted. Even otherwise, the competent authority on a printed format simply wrote "Yes" or "Approved" without reflecting their independent mind or reasoning as to what was approved and why it was approved. The usage of the expression "Yes" or "Approved" were considered to be merely ritualistic and formal rather than meaningful. Thus, the aforesaid sanction is not a valid satisfaction u/s 151 since it does not reflect any independent application of mind by the Add. CIT on the reasons to believe recorded and the I&CI Information based on which such reasons to believe were purportedly formed.*

21. *Further, the Add. CIT, Range-67, New Delhi, while granting the aforesaid sanction, also failed to note that the reasons to believe presented before him were undated and vague since it did not mention/contain the description/particulars of the immovable which was sold and date on which it was sold along with the I& CI information, which again reflect non-application of mind.*

22. *Thus, the undated sanction recorded by the Addl. CIT shown as ("Yes, Approved") on the printed Proforma is purely a mechanical satisfaction which does not reflect an independent application of mind and therefore, does not meet the jurisdictional requirement of Section 151 of the Act and thus, vitiate the entire reassessment proceedings.*

23. *Reliance is placed on the following case laws where the Hon'ble Courts/Tribunals struck down the one-line approvals which were mechanical in nature and did not indicate independent application of mind:*

a) ***Chhugamal Rajpal vs. S.P. Chaliha [1971] 79 ITR 603 (SC):*** *The Hon'ble Apex court has held that*

"……Further, the report submitted by him under section 151(2) does not mention any reason for coming to the conclusion that it is a fit case for the issue of a notice under section 148. We are also of the opinion that the Commissioner has mechanically accorded permission. He did not himself record that he was satisfied that this was a fit case for the issue of a notice under section

148. To question No. 8 in the report which reads "Whether the Commissioner is satisfied that it is a fit case for the issue of notice under section 148", he just noted the word "Yes" and affixed his signature thereunder. We are of the opinion that if only he had read the report carefully, he could never have come to the conclusion on the material before him that this is a fit case to issue notice under section 148. The important safeguards provided in sections 147 and 151 were lightly treated by the Income-tax Officer as well as by the Commissioner. Both of them appear to have taken the duty imposed on them under these provisions as of little importance. They have substituted the form for the substance.

In the result this appeal is allowed, the order of the High Court is set aside and the impugned notice quashed. The respondent No. 2 shall pay the costs of the appellant both in this court and in the High Court."

b) CIT, Jabalpur (M.P) v. S. Goyanka Lime & Chemical Ltd. [2015] 64 taxmann.com 313 (SC): *High Court by impugned order held that where Joint Commissioner recorded satisfaction in mechanical manner and without application of mind to accord sanction for issuing notice under section148, reopening of assessment was invalid - Whether Special Leave Petition filed against impugned order was to be dismissed - Held, yes [In favour of assessee]*

c) Capital Broadways (P.) Ltd. v. ITO [2024] 167 taxmann.com 533 (Delhi HC):

"13. The satisfaction arrived at by the concerned Officer should be discernible from the sanction order passed under Section 151 of the Act. However, as may be seen, the approval order is bereft of any reason. There is no whisper of any material that may have weighed for the grant of approval.

14. Even the bare minimum requirement of the approving authority having to indicate what the thought process was, is missing in the aforementioned approval order. ***While elaborate reasons may not have been given, at least there has to be some indication that the approving authority has examined the material prior to granting approval. Mere appending the expression "Yes I am satisfied" says nothing. The entire exercise appears to have been ritualistic and formal rather than meaningful, which should be the rationale for the safeguard of an approval by a high ranking official. Reasons are the link between material placed on record and the conclusion reached by the authority in respect of an issue, since they help in discerning the manner in which the conclusion is reached by the concerned authority.***

……

20. As explained in the above cases, mere repeating of the words of the statute, mere rubber stamping of the letter seeking sanction or using similar words like "Yes, I am satisfied" will not satisfy the requirement of law. Hence, we are of the firm view that PCIT has failed to satisfactorily record his concurrence. The mere use of expression "Yes, I am satisfied" cannot be considered to be a valid approval as the same does not reflect an independent application of mind. The grant of approval in such manner is thus flawed in law.

21. Hence, for the aforesaid reasons, we are of the view that the approval granted by the PCIT for issuance of notice under Section 148 of the Act is not valid and therefore the impugned notice under Section 148 dated 24.03.2017 cannot be sustained. Accordingly, the impugned notice is set aside."

d) The Hon'ble Delhi HC in the case of PCIT v. Pioneer Town Planners Pvt. Ltd. [2024] 465 ITR 356 (Delhi) while dealing with an identical challenge of approval, having been accorded mechanically, have held as under:-

"13. The primary grievance raised in the instant appeal relates to the manner of recording the approval granted by the prescribed authority under Section 151 of the Act for reopening of assessment proceedings as per Section 148 of the Act.

xxxx xxxx xxxx

17. Thus, the incidental question which emanates at this juncture is whether simply penning down "Yes" would suffice requisite satisfaction as per Section 151 of the Act. Reference can be drawn from the decision of this Court in N. C. Cables Ltd., wherein, the usage of the expression "approved" was considered to be merely ritualistic and formal rather than meaningful. The relevant paragraph of the said decision reads as under:-

"11. Section 151 of the Act clearly stipulates that the Commissioner of Income-tax (Appeals), who is the competent authority to authorize the reassessment notice, has to apply his mind and form an opinion. The mere appending of the expression "approved" says nothing. It is not as if the Commissioner of Income-tax (Appeals) has to record elaborate reasons for agreeing with the noting put up. At the same time, satisfaction has to be recorded of the given case which can be reflected in the briefest possible manner. In the present case, the exercise appears to have been ritualistic and formal rather than meaningful, which is the rationale for the safeguard of an approval by a higher ranking officer. For these reasons, the court is satisfied that the findings by the Income-tax Appellate Tribunal cannot be disturbed."

e) PCIT-6 vs. N.C Cables Ltd. [2017] 391 ITR 11 (Delhi HC)

f) SBC Minerals (P.) Ltd. v. ACIT [2025] 475 ITR 360 (Delhi HC) [20-08-2024]

g) Synfonia Tradelinks (P.) Ltd. v. ITO, Ward -22(4) [2021] 435 ITR 642 (Delhi) [26-03-2021]

h) Raghav Technology (P.) Ltd. v. ITO [2024] 163 taxmann.com 1155 (Delhi - Trib.) [30-04-2024]

i) Raj Kumar v. ITO, 2(5) in ITA No.3238/Del/2024, order dated 16.07.2025

j) DCIT v Ram Kumar Shokeen in I.T.A. No.1009/DEL/2020 dated 08.05.2024 (Delhi Tribunal)

k) M/s. Bull Riders Financial Services (P) Ltd. v ITO in ITA no. ITA.No.1891/Del./2017 dated 10.02.2020 (Delhi Tribunal)

24. *Therefore, in light of the aforesaid facts supported with judicial pronouncements, the reassessment proceedings and consequent assessment order framed by the ld. AO deserve to be quashed on the ground of mechanical satisfaction also."*

12. We have considered the submissions made at bar and also perused the record. The reasons for reopening u/s 147 and the

sanction u/s 151 of the Act are placed at page 32 to 34 of paper book. Admittedly, the reasons for reopening as well as sanction u/s 151 are undated. We have further noticed that the sanction u/s 151 of the Act granted by Addl. Commissioner of Income Tax, Range-62, New Delhi is accorded in a mechanical manner without application of mind because only the word 'yes' and 'approved' has been written by the sanction granting authority and the remaining portion of the sanction is already in typed proforma.

13. In that regard that the sanction u/s 151 of the Act is mechanical which resulted in vitiating the assessment proceedings, the Hon'ble jurisdictional High Court in DCIT v. Pioneer Town Planners Ltd. (supra) was pleased to hold that the 'usage of expression' 'approved' was considered to be merely ritualistic and formal rather than meaningful.

14. The form for recording reasons along with the approval u/s 151 of the Act is placed at paper book page no. 32 to 34, the print of the same is extracted herein under:

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I.T.N.S. 10

FORM FOR RECORDING REASONS FOR INITIATING PROCEEDINGS U/S 147 AND FOR OBTAINING SANCTION U/S 151 OF IT ACT, 1961.

1	Name & Address of the Assessee	Dev Raj Sharma A 9/91, Bhajan Pura, Delhi - 110053
2	PAN/GIR No.	APSPS2551P
3	Status	Individual
4	District / Circle	ITO, Ward 68(1) New Delhi
5	Assessment Year in respect of which it is proposed to issue notice u/s.148	2017-18
6	The quantum of income which has escaped assessment.	Rs. 10,50,000/-
7	Whether the provisions of section 147(a) or 147(b) are applicable or both the sections are applicable	Yes, provisions of Sec. 147(b) of the Income Tax Act, 1961 are applicable.
8	Whether the assessment is proposed to be made for the first time. If the reply is in affirmative, please state (a) Whether any voluntary return has already been filed ; and (b) If so, the date of filing the said return	Yes yes 10.07.2017
9	If the answer to item 8 is in the negative please state (a) The income originally assessed (b) Whether it is a case of under assessment, assessment at too low rate, assessment which has been made the subject of excessive relief or allowing of excessive loss or depreciation	N.A.
10	Whether the provisions of section 150(1) are applicable. If the reply is in the affirmative the relevant facts may be stated against item no. 11 and it may also be brought out that provisions of section 150(2) would not stand in the way of initiating proceedings u/s. 147.	No
11	Reasons for the belief that income has escaped assessment 1. **Brief details of the assessee**: The assessee is an Individual and PAN is presently lying with this office. 2. **Brief details of information**: In this case information was received from I&CI, Delhi that during the year the assessee sold an immovable property for Rs. 12,00,000/- whereas the circle rate of the property was Rs. 22,50,000/-. Therefore, as provisions of Section 50C of the Act while computing the capital gain the amount of Circle rate should have been taken by the assessee as total sale consideration.	

3. **Analysis of Information**: The ITR of the assessee for the A.Y. 2017-18 has been downloaded from the e-filing portal and noted that the assessee has not reported any transaction in its ITR. The capital gain on the said transfer of capital asset remained unexplained and untaxed.

4. **Finding of AO:** The assessee has filed its ITR for the A.Y. 2017-18 but has not reported any transaction in its ITR. The capital gain on the said transfer of capital asset remained unexplained and untaxed.

5. **Basis of forming reasons to believe**: Considering the facts of the case, statutory provisions and on the basis of record available on ITBA, I have reasons to believe that there has been escapement of income to the tune of Rs. 10,50,000/- chargeable to tax for the AY 2017-18. Hence, it is a fit case for initiation of proceedings in terms of section 147 of the Act.

6. **Applicability of provisions of section 147/151 to the facts of the case**: The ITR was filed by the assessee and the case was not taken up for scrutiny assessment. The only requirement to initiate proceedings u/s 147 is reasons to believe which has been recorded in above Para.

7. In view of the facts noted above, the provisions of clause (b) of explanation 2 to section 147 are applicable to the facts of the case and the assessment year under consideration is deemed to be a case where income chargeable to tax has escaped assessment. The given case pertains to a period where four years from the end of the relevant assessment year have not expired, therefore, as per the amended provisions of the section 151 of the Act at the time of issue of notice u/s 148 of the Act, prior approval of the Additional Commissioner of Income Tax is mandatory.

7.1 The case is accordingly put up for due approval of the Additional Commissioner of Income Tax is mandatory. Range-67, New Delhi for issuance of notice u/s 148 of the Act for the AY. 2017-18.

Dated:

(Sunita Gupta)
Income Tax Officer,
Ward 68(1), New Delhi

12	Whether the Addl. CIT, Range-67 is satisfied on the reasons recorded by the AO, that it is a fit case for the issue of a notice u/s 148 of the Income Tax Act, 1961	Yes, I am satisfied that it is a fit case for re-opening u/s 148 r.w.s 147 of the Income Tax Act 1961. Approved.

(Sanjay Tripathi)
Addl. Commissioner of Income Tax
Range- 67, New Delhi

15. Thus we have noticed that the main stress of the arguments raised on behalf of the assessee/appellant was that the reasons for reopening along with sanction u/s 151 of the Act are undated and the said sanction u/s 151 has been granted in a mechanical manner without application of mind. Therefore, we are relying on the judgement of the co-ordinate Bench in the case of Sh. Prahlad Singh v. ITO-3(2) in ITA No. 3375/Del/2017 and SA No. 436/Del/2017 dated 11.05.2018) (Delhi Tribunal) (supra); case of Sh. Prem Mukesh Jhalani v. ITO [2025] 176 taxmann.com 630 (Mumbai Tribunal) dated 16.06.2025 (supra), Chiranjiv Lal Aggarwal v. ITO [2017] 54 ITR (T) 349 (Amritsar-Trib.) order dated 15.09.2016 (supra) and Sterling and Wilson (P) Ltd. [2022] 285 Taxman 468 (Bombay High Court) dated 21.12.2021 (supra) where the assessment order was quashed on account of reason of reopening being undated. Further also relying on the case of Hon'ble jurisdictional High Court in PCIT v. Pioneer Town Planners Pvt. Ltd. (supra) and also on the judgment of Hon'ble High Court of Madhya Pradesh in the case of CIT, Jabalpur v. S. Goyanka Lime & Chemical Ltd., the SLP against which has already been dismissed by the Hon'ble Supreme Court in the case of CIT, Jabalpur v. S. Goyanka Lime & Chemical Ltd. order dated 8th July, 2015 reported [2015] 64 taxmann.com 313 (SC), we are of the considered opinion that the undated reasons for reopening and the approval u/s 151 CPC has vitiated the assessment

proceedings carried out by the Assessing Officer in this case. Hence for the above reasons, the assessment proceedings are held to be bad in law and order to be quashed accordingly. The additional ground raised before us are accordingly allowed.

16. Since the assessment proceedings are quashed, and in view of decision on additional ground, the decision on other ground is rendered academic and we have not adjudicated the same are kept open.

17. The appeal of the assessee is accordingly allowed.

Order pronounced in the Open Court as on 20.05.2026

Sd/-	Sd/-
(Brajesh Kumar Singh)	**(Raj Kumar Chauhan)**
Accountant Member	**Judicial Member**

Dated: 20/05/2026

G.P. Sr. PS
Copy forwarded to:
1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR