

**INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH "G": NEW DELHI  
BEFORE SHRI C. N. PRASAD, JUDICIAL MEMBER  
AND  
SHRI M. BALAGANESH, ACCOUNTANT MEMBER**

ITA Nos. 2687 & 2688/Del/2025  
(Assessment Years: 2018-19 & 2019-20)

Taran Pal Wadhwan, D-1/24, Vasant Vihar, New Delhi	Vs.	ACIT, Central Circle-8, Delhi
(Appellant)		(Respondent)
<b>PAN: AAYPW2639K</b>		

Assessee by :	Shri Ajay Wadhwa, Adv Ms. Ragini Handa, Adv Shri Deepanshu Kaushik, Adv
Revenue by:	Shri Mahesh Kumar, CIT(DR)
Date of Hearing	27/08/2025
Date of pronouncement	29/08/2025

O R D E R

**PER M. BALAGANESH, A. M.:**

1. The appeal in ITA No.2687 & 2688/Del/2025 for AYs 2018-19 & 2019-20, arises out of the order of the Commissioner of Income Tax (Appeals)-24, New Delhi [hereinafter referred to as 'Id. CIT(A)', in short] dated 13.02.2025 and against the order of assessment passed u/s 153C r.w.s. 144 of the Income-tax Act, 1961 (hereinafter referred to as 'the Act') dated 31.03.2023 by the Assessing Officer, DCIT, Central Circle-8, New Delhi (hereinafter referred to as 'Id. AO'). Identical issues are involved in these appeals and hence they are taken up together and disposed of by this common order for the sake of convenience.

2. The Assessee has raised a preliminary ground challenging the validity of the search assessment framed in his hands under section 153C of the Act in

view of the fact that approval under section 153D of the Act has been obtained from the competent authority in a mechanical manner and a single approval has been obtained for various assessment years including the years under consideration.

3. We have heard the rival submissions and perused the materials available on record. This ground was not raised by the Assessee before the learned CITA. Hence, this ground should have been raised as an additional ground before us. However, the same has been raised in the form of original grounds along with Form No. 36 before us. But it cannot be brushed aside that this ground is a legal ground going to the root of the matter. The facts relevant for its adjudication are already on record. Hence, in view of the decision of the Hon'ble Supreme Court in the case of NTPC limited reported in 229 ITR 383 and Varas International P Ltd reported in 284 ITR 80, the said ground is hereby admitted and taken up for adjudication first.

4. The Learned AR before us placed on record a letter dated 29-03-2023 addressed by the Learned AO to Learned Additional Commissioner of Income Tax, Central Range -2, New Delhi seeking approval under Section 153D of the Act for the draft assessment orders. This letter is enclosed in page 17 of the paper book. On perusal of the said letter, it is very clear that the Learned AO placed only the draft assessment orders before the Learned Additional Commissioner of Income Tax while seeking approval under Section 153D of the Act. For the sake of convenience, the said letter dated 29-03-2023 addressed by the Learned AO to Learned Additional Commissioner of Income Tax is reproduced herein:-

Annexure 17



**Office of the Deputy Commissioner of Income Tax**  
Central Circle-8, Room No. 333, 3<sup>rd</sup> Floor, ARA Centre,  
E -2, Jhandewalan Extension, New Delhi-110055  
Tel/Fax 011-23593405, e-mail:  
delhi.dcit.cen8@incometax.gov.in

F.No. DCIT/CC-8/2021-22/ 1049

Dated: 29.03.2023

To

The Addl. Commissioner of Income Tax,  
Central Range-2,  
New Delhi

Madam,

**Sub: Proposal for approval u/s 153D of the Income Tax Act, 1961 in the case of Sh. Taran Pal Wadhwan. (PAN: AAYPW2639K) – reg.**

Kindly refer to the subject cited above.

In this regard, the draft orders u/s 153C r.w.s.144 in the following cases are submitted for approval u/s 153D of the Income Tax Act, 1961:-

S.No.	Name and PAN of the assessee	U/s	A.Y.	Returned income (Rs)		Assessed income (Rs)
				139(1)	153C	
1	<b>Sh. Taran Pal Wadhwan. (PAN: AAYPW2639K)</b>	153C	2013-14	Rs. Nil/-	Not filed	Rs. Nil/-
2			2014-15	Rs. 2,19,880/-	Not filed	Rs. 2,19,880/-
3			2015-16	Rs. 4,00,000/-	Not filed	Rs. 4,00,000/-
4			2016-17	Rs. 39,90,080/-	Not filed	Rs. 39,90,080/-
5			2017-18	Rs. 53,70,940/-	Not filed	Rs. 53,70,940/-
			2018-19	Rs. 9,67,420/-	Not filed	Rs. 30,48,320/-
		2019-20	Rs. 2,97,990/-	Not filed	Rs. 17,40,490/-	

The draft orders are being submitted after verifying the annexure, statements recorded and inquiries conducted. The issues mentioned in the Appraisal Report and arising out of seized material have been examined. The inquiries wherever necessary have been carried out. The return of income has also been verified.

Yours faithfully,

(Sidharth Kumar)

Deputy Commissioner of Income Tax,  
Central Circle-8, New Delhi.

Just.  
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R. P.  
29/3

29 MAR 2023

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5. Later, the Learned Additional Commissioner of Income Tax, Central Range-2, New Delhi granted approval under Section 153D of the Act for the draft assessment orders to the Learned AO vide letter dated 30-03-2023. While granting this approval, strangely the Learned Additional Commissioner of Income Tax stated in para 2 that the case records of the assessee were also perused by him along with the draft assessment orders. When the draft assessment orders alone were submitted by the Learned AO before the Learned Additional CIT, how the Learned Additional CIT could have had access to the case records of the assessee was not properly explained by the revenue before us. For the sake of convenience, the said letter dated 30-03-2023 granting a consolidated approval for all the assessment years under Section 153D of the Act by the Learned Additional CIT is reproduced herein:-

Annexure 'B'  
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Office of the  
Addl. Commissioner of Income Tax  
Central Range-02 Room No 341

E-2 ARA Centre 3<sup>rd</sup> floor Jhandewalan Extn. New Delhi- 110055

Email – delhi.addl.cit.cen2@incometax.gov.in Tel. No. 011-23593414/Fax 011-23593413

F. No. Addl. CIT(CR)-02/2022-23/2867

Dated: 30.03.2023

To

The Dy. Commissioner of Income Tax,  
Central Circle-8,  
New Delhi

**Sub: Approval u/s 153D of the Income Tax Act, 1961 in the case Sh. Taran Pal Wadhwan (PAN: AAYPW2639K)- Reg.**

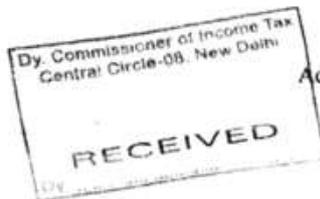
This is in reference to your letter F.No DCIT/CC-8/2022-23/1049 dated 29.03.2023 whereby you have submitted draft order to be passed seeking approval u/s 153D of the I.T. Act 1961 alongwith assessment record in the following cases: -

S. No.	Name of the Assessee	A.Y.	u/s	Figures in Rupees	
				Returned Income	Assessed Income
1.	Sh. Taran Pal Wadhwan	2013-14	153C/144	0	0
2.		2014-15	153C/144	2,19,880	2,19,880
3.		2015-16	153C/144	4,00,000	4,00,000
4.		2016-17	153C/144	39,90,080	39,90,080
5.		2017-18	153C/144	53,70,940	53,70,940
6.		2018-19	153C/144	9,67,420	30,48,320
7.		2019-20	153C/144	2,97,990	17,40,490

After perusal of the draft assessment order as submitted and case record of the assessee, approval u/s 153D of the I.T. Act 1961 is accorded with the direction to ensure that the order should be passed well before the limitation. It is also directed that no order shall be passed without 'DIN' in view of the CBDT's Circular No. 19/2019 dated 14.08.2019.

A copy of the final assessment order should be submitted to this office for record. The assessment records are returned herewith.

Encl: As above.



*Pratibha*  
(Pratibha Meena)  
Addl. Commissioner of Income Tax  
Central Range-2 New Delhi

6. We find that similar approval granted by the Learned Additional CIT in the similar fashion was subject matter of adjudication by the coordinate bench of this Tribunal in the case of Keher Singh vs DCIT in ITA Nos. 2835 to 2841/Del/2024 for assessment years 2014-15 to 2020-21 dated 19-3-25 wherein it was held as under:-

"7. After going through this set of evidences available at pages 2-15, we are of the considered view that only one approval u/s 153D was granted by letter F.No.Addl.CIT/CR-7/2021-22/634 and by marking check mark ("√") for each year the approvals are shown to have been issued for each year, but, as a matter of fact, there is no change in the No. of letter being F.No.Addl.CIT/CR-7/2021- 22/634 under which the approval u/s 153D of the Act was issued by the competent authority. Thus, there is no dispute that a composite approval was sought and granted in the case of the assessee for assessment years 2014-15 to 2020-21.

8. Then we find that although at the time of granting approval the Id. competent authority has mentioned that:

*"Approval is hereby accorded u/s 153D of the Income Tax Act, 1961 to the draft assessment order as amended in the following case, on the basis of the detailed discussion with you time to time, information available on record, facts mentioned in the Appraisal Report and relevant seized documents perused by you & brought to the notice of undersigned. "*

7. However, the aforesaid seems to be some sort of mechanical exercise only because in the corresponding letter from the Id. AO dated 27.09.2021 (supra) only draft orders were submitted for examination. There is no reference that appraisal report or seized documents were also forwarded. In fact, it is pertinent to observe that vide letter dated 27.09.2021 (supra), the AO had made a request that "online approval u/s 153D may kindly be accorded." This shows that certainly, the assessment records were not forwarded, what to talk of appraisal report and relevant seized documents.

8. Furthermore, as we examine the approval dated 27.09.2021, we find that in para 3, the Id. competent authority has mentioned as follows:-

*"3. Copies of the final assessment orders should be forwarded to this office immediately after passing the orders. Proposal for retention of seized material should also be forwarded to this office within time as per IT Act, 1961. Before passing the final order, in case, there is requirement of protecting the interest of revenue, permission u/s 281B from Pr. CIT(C)-3, New Delhi should be taken. Office note, indicating additions in relevant assessment years should be indicated in all Assessment Years, **You have certified about perusal and verification of data seized in electronic format through working copies having certified hash values as that of original hard drives/CDs/pen drives/mobile data & any other electronic data.** You have also certified to the undersigned that all information available in AIR/CIB/from other Law Enforcement Agencies have been properly scrutinized by you before finalizing the draft assessment order. Please ensure that penalty is levied under proper section of the Income Tax Act, 1961. "*

9. The aforesaid observations of the Id. competent authority, as emphasized above in **bold italics** by us, when considered in the light of the alleged incriminating evidences used in assessments, we find that in fact, no data was seized in electronic format from hard drive/CDs/pen drives/mobile data so as to necessitate making these observations by the Id. competent authority. The aforesaid observations and directions only indicate that in a perfunctory manner without application of mind post completion of assessment, on the draft orders the approval has been granted.

10. It is now settled proposition of law that the approval so granted without taking into consideration the assessment record, incriminating evidences and the approval not exhibiting the reasons for granting the approval independently on the draft assessment order cannot be sustained. Reliance in this regard is placed on the decision of the Hon'ble Delhi High Court in the case of **PCIT vs. Anuj Bansal, 466 ITR 254 (Del)**. Further we find that Hon'ble jurisdictional High Court in the case of **PCIT vs. Shiv Kumar Nayyar in ITA No. 285/2024 (Del), dated 15.05.2024**, has decided the similar legal issue in favour of the assessee and against the Revenue. The relevant findings of the Hon'ble Delhi High Court are reproduced as under :-

"15. A similar view was taken by this Court in the case of **Anuj Bansal** (supra), whereby, it was reiterated that the exercise of powers under Section 153D cannot be done mechanically. Thus, the salient aspect which emerges from the abovementioned decisions is that grant of approval under Section 153D of the Act cannot be merely a ritualistic formality or rubber stamping by the authority, rather it must reflect an appropriate application of mind. "

11. In the case of **ACIT, Circle-1 (2) Vs. Serajuddin and Co. the Hon'ble Supreme Court in SLP (Civil) Dairy No. 44989/2023 vide order dated 28/11/2023**, dismissed the Appeal filed by the Department of Revenue against the order dated 15/03/2023 in ITA No. 43/2022 passed by the Hon'ble High Court of Orissa at Cuttack, wherein the Hon'ble High Court had quashed the Assessment Order on the ground of inadequacy in procedure adopted for issuing approval u/s 153D of the Act by expressing discordant note on such mechanical exercise of responsibility placed on designated authority under section 153D of the Act.

12. In the light of the aforesaid, we are inclined to allow the ground No.5 and, consequently the **appeals of the assessee for relevant years before us stand allowed** and the impugned assessments for the relevant years involved are quashed."

7. It could be seen that the Learned Additional Commissioner of Income Tax, Central Range -2, New Delhi had accorded approval under Section 153D of the Act for assessment years 2013-14 to 2019-20, which constitute a

consolidated approval for all the assessment years, which (0:48) in our considered opinion, is not in consonance with the requirement of provisions of Section 153D of the Act. The plain reading of provisions of Section 153D of the Act makes it very clear and the section mandates approval under Section 153D of the Act to be given for each assessment year for each assessee. Here the approval has been given for various assessment years for one assessee, which is not in accordance with provisions of Section 153D of the Act. Hence, the search assessments framed based on this invalid approval under Section 153C of the Act deserves to be quashed. Accordingly, the assessments for assessment years 2018-19 and 2019-20 are quashed on this limited count itself.

8. Since the entire search assessments are quashed, the various grounds raised by the assessee both on law as well as on merits need not be gone into as adjudication of the same would only be academic in nature and hence they are left open.

9. In the result, both the appeals of the assessee are allowed.

Order pronounced in the open court on 29/08/2025.

-Sd/-

**(C. N. PRASAD)**  
**JUDICIAL MEMBER**

-Sd/-

**(M. BALAGANESH)**  
**ACCOUNTANT MEMBER**

Dated: 29/08/2025  
A K Keot

Copy forwarded to

1. Applicant
2. Respondent
3. CIT
4. CIT (A)
5. DR:ITAT

ASSISTANT REGISTRAR  
ITAT, New Delhi