

IN THE INCOME TAX APPELLATE TRIBUNAL
HYDERABAD "B" BENCH: HYDERABAD
BEFORE SHRI VIJAY PAL RAO, VICE PRESIDENT
AND
SHRI MANJUNATHA G, ACCOUNTANT MEMBER

ITA.No.680/Hyd./2025
Assessment Year 2016-2017

Sama Sangeeta Reddy [GPA Holder Sama Sunil Reddy], Hyderabad. PIN – 500 070. Telangana. PAN BKVPS1921A	vs.	The DCIT, Central Circle-3(2), Hyderabad – 500 029. Telangana.
(Appellant)		(Respondent)

For Assessee :	CA, KA Sai Prasad
For Revenue :	Dr. Sachin Kumar, Sr. AR

Date of Hearing :	02.09.2025
Date of Pronouncement :	24.09.2025

ORDER

PER MANJUNATHA G. :

The above appeal has been filed by the assessee against the Order dated 21.02.2025 of the learned CIT(A), Hyderabad-11, Hyderabad, relating to the assessment year 2016-2017.

2. The assessee pleads the following grounds in the instant appeal :

1. *“The order u/s 250 dated 21-02-2025 passed by the Hon'ble Commissioner (Appeals) 11, Hyderabad is not correct either in law or on facts and in both.*
2. *The Learned First Appellate Authority is not justified in confirming the order of the Ld. Assessing Officer merely on the grounds that no reply was filed, ignoring the fact that the appellant has filed adjournment requests dated 24-04-2024 and 18-06-2024.*
3. *The Learned First Appellate Authority in the facts and circumstances of the case, failed to appreciate the fact that since the provisions of section 56(2)(vii)(b) of the Act, themselves are not applicable to facts of the case, no addition whatsoever is warranted.*
4. *The Learned First Appellate Authority is not justified in upholding the addition of Rs. 1,73,39,000/-u/s. 56(2)(vii) (b) ignoring the fact that there is no excess land received by the appellant.*
5. *Without prejudice to the above grounds, the Learned First Appellate Authority is not justified in completely relying on the order of the Ld. Assessing Officer and accordingly, failed to appreciate the fact that excess land if any, received is due to shortfall of land received by the appellant's father and is at the expense of the share of her father that can be treated as a gift by father to his daughter (appellant) which is exempt from taxation.*
6. *The appellant craves leave to add, amend or alter any of the above ground (grounds).”*

2. Brief facts of the case are that, the assessee is an individual, filed his return of income for the assessment year 2017-2018 on 21.01.2017 declaring total income at Rs.8,17,240/-. The case has been subsequently reopened u/sec.147 of the Income Tax Act, 1961 [in short “the Act”], for reasons recorded, as per which, the assessee M/s. Sama Constructions entered into an understanding with M/s.

South India Research Institute Pvt. Ltd., for purchase of 15 acres of land located at Sy.No.9/4 Saroor Nagar, Hyderabad @ Rs.1.5 crore per acre and paid an advance of Rs.5 crore in the year 2004. The deal landed in dispute and led to compromise settlement in Hon'ble Lok Adalat. According to the Lok Adalat award, land of 3 acres was allotted to M/s. Sama Constructions for the amount of Rs.5 crores paid. However, M/s. Sama Constructions being consenting party has got registered about ac.4.5 gts. of land in the names of it's partners. It has not paid any further consideration for an additional area of about ac.1.5 gts. Therefore, the additional land which was received by the partners over and above the Court compromise attracts section 56(2)(vii)(b) of the IT Act, 1961. The land received by the partners over and above 3.00 acres as worked-out according to their shares in Partnership Deed, as per which, the assessee viz., Smt. Sama Sangeetha Reddy has received the following land vide Doc.No.15844 dated 29.07.2015 admeasuring 2477 square yards @ Rs.35,000 amounting to Rs.8,66,95,000/-. In this consideration, the assessee is having 1/5th share, which

works-out to Rs.1,73,39,000/- and the same has been escaped assessment, which needs to be brought to tax in the hands of the assessee. Accordingly, notice u/sec.148 of the Act dated 31.03.2021 was issued to the assessee. In response to the notice u/sec.148 of the Act, the assessee has not filed his return of income for the assessment year 2016-2017. Further, the Assessing Officer issued notices under section 143(2) of the I. T. Act, 1961 on 23.11.2021 to the assessee for compliance on or before 08.12.2021. In response to the above notice, the assessee had not filed any reply. Further opportunities were given to the assessee by issuing notices u/sec.142(1) of the Act along with questionnaire on various dates i.e., on 22.12.2021 and 20.01.2022 with a request to submit relevant information. In response to the above notices, the assessee has replied on 27.01.2022 and submitted his return of Income for the assessment year 2016-2017 on 01.05.2021 declaring total income at Rs.8,17,240/- along with other documents. The assessee's submission were analysed along with reasons for reopening of the assessment. The assessee has mentioned

that, there were 17 partners in the Firm, but, as per records there are 5 partners only. Further, assessee's contention that, the rate of the land be considered as per the Circle rate in 2004 is without any basis and so rejected. In view of the above, the Assessing Officer made addition of Rs.1,73,39,000/- u/sec. 56(2)(vii)(b) of the Income Tax Act, 1961.

3. Aggrieved by the assessment order, the assessee preferred appeal before the learned CIT(A). Before the learned CIT(A), the assessee neither appeared nor furnished any details, even though, the case was listed for hearing on 6 occasions. Therefore, the learned CIT(A) disposed of the appeal filed by the assessee for non-prosecution by following Judgment of Hon'ble Supreme Court in the case of CIT vs., BN Bhattcharjee and Another [1977] 118 ITR 461 (SC) and upheld the additions made by the Assessing Officer towards consideration received in the form of immovable property u/sec.56(2)(vii)(b) of the Income Tax Act, 1961.

4. Aggrieved by the order of the learned CIT(A), the assessee is now, in appeal before the Tribunal.

5. CA, K A Sai Prasad, Learned Counsel for the Assessee submitted that, notice issued under section 148 of the Act dated 31.03.2021 and served on the assessee on 01.04.2021 is not in accordance with provisions of section 148 r.w.s.148A of the Income Tax Act, 1961 and consequently, the assessment order passed by the Assessing Officer in pursuance to the said notice is invalid, *void abinitio* and liable to be quashed. Learned Counsel for the Assessee referring to screen-shot taken from the Income Tax Business Application [in short "ITBA"] portal submitted that, as per the ITBA portal, notice under section 148 of the Act was issued on 01.04.2021 which is also evident from the email sent by the Income Tax Officer, Ward-9(1) on incometax.gov.in which was on Thursday 1st April, 2021 at 6.03 hours. Once notice has been issued under section 148 of the Act, after 1st April, 2021, then, the new provisions of section 148 of the Act comes into operation and as per the new provisions, the Assessing Officer is bound to follow procedure before issuance of notice as per sec.148A of the Act. In the present case, although, notice under section 148

of the Act has been issued on 01.04.2021, but, the Assessing Officer without following the procedure laid down under section 148A of the Act including as required under section 151 of the Act from The Principal Chief Commissioner of Income Tax who is the Competent Authority to accord the sanction for issuance of notice under section 148 of the Act, has issued 148 notice. Further, the Assessing Officer has taken approval from the Pr. Commissioner of Income Tax, which is not in accordance with law. Therefore, the consequent notice issued by the Assessing Officer and assessment order passed in consequent to the said notice, is invalid and liable to be quashed. In this regard, the Learned Counsel for the Assessee relied upon the Judgment of Hon'ble High Court for the State of Telangana in the case of Kalyan Chillara vs., DCIT [2024] 167 taxman.com 500 (Telangana) and the decision of Hon'ble Supreme Court in the case of Additional/Joint./Deputy/Asst. Commissioner of Income Tax/Income Tax Officer vs., Anantha Reddy Pannala [2025] 175 taxman.com 688 (SC). The assessee had also relied

upon the decision of ITAT, Hyderabad Bench, Hyderabad in the case of Iqbal Ali Jaweed, Hyderabad vs., ITO [Int.Taxn.]-1, Hyderabad in ITA.Nos.447 and 448/Hyd./2024, Order dated 20.06.2025.

6. Dr. Sachin Kumar, learned Sr. AR for the Revenue, on the other hand, referring to the notice issued under section 148 of the Act, dated 31.03.2021 submitted that, the Assessing Officer has digitally signed the notice on 31st March, 2021 at 6.40 hours and once the Assessing Officer signed the notice, it automatically transmitted to the ITBA portal for onward transmission to the email of the assessee. Therefore, once notice has been issued on 31.03.2021 with digital signature, then, the subsequent delivery of mail on the next day i.e., on 01.04.2021 will not alter the date of notice and consequently, the notice issued under section 148 of the Act, dated 31.03.2021 is as per old regime of re-assessment proceedings as per section 148 of the Act and thus, the Assessing Officer is not required to follow the procedure provided under section 148A of the Act. Once the notice issued under section 148 is as per old

regime of re-assessment, then, the approval taken by the Assessing Officer from the Pr. CIT is in accordance with the provisions of section 151 of the Act and thus, the arguments of the Learned Counsel for the Assessee that, the notice is invalid and consequent assessment order is *void abinitio*, is devoid of merit and cannot be accepted.

7. We have heard both the parties, perused the material on record and had gone through the orders of the authorities below. We had also carefully considered the relevant notice issued by the Assessing Officer. Going by the screen-shot taken from ITBA portal and relevant case laws referred to by the Learned Counsel for the Assessee in support of their contentions, no dispute with regard to the fact that, notice issued under section 148 of the Act dated 31.03.2021 was issued on 01.04.2021 at 6.03 hours which is evident from email sent from *HYDERABAD.ITO9.1@incometax.gov.in* to the email ID of the assessee *krishnaefiling@gmail.com*. Although, the learned Sr. AR for the Revenue refers to the digitally signed notice under section 148 of the Act which was on 31.03.2021 at 6.40

hours, in our considered view, the mere generation of notice on the ITBA portal and signing the same, is not sufficient for satisfying the test of issue and it is only when the notice has been dispatched, it would be declared to be issued. In the present case, there is no dispute with regard to the fact that, as per the email communication from the Department, the notice has been sent to the assessee on Thursday i.e., on 01.04.2021 at 6.03 hours and from the above, it is very clear that, notice under section 148 of the Act has been issued and served on the assessee on 01.04.2021. This legal principle is supported by the decision of Hon'ble High Court for the State of Telangana in the case of Kalyan Chillara vs., DCIT (supra) wherein in Para-26.9 of the Order it was clearly held that, *"in order to determine when does "despatch", i.e., the transmission of electronic record or the notices in the present case, from the Department occur, we may first note the precedence set by several High Courts in the context of Income Tax Business Application portal. Under section 13 of the Act of 2000, various High Courts have concluded that, the despatch of an electronic record occurs*

when it enters a computer resource outside the control of the originator, i. e, when the Income Tax Business Application's e-mail system is triggered and the e-mail leaves the Income Tax Business Application servers”. In the present case, since the email from the Department i.e., Assessing Officer was triggered on Thursday i.e., on 01.04.2021 at 6.03 hours, in our considered view, it cannot be said that, notice under section 148 of the Act has been issued on 31.03.2021.

8. Having said so, let us come back, whether notice issued under section 148 of the Act dated 01.04.2021 and subsequent procedure followed by the Assessing Officer including re-assessment order passed under section 143(3) r.w.s.147 of the Act dated 29.03.2022 is in accordance with section 148 and 148A of the Act ? Admittedly, the provisions of section 148 has been amended w.e.f. 01.04.2021 and as per the said amended provisions, any notice issued u/sec.148 of the Act on or after 01.04.2021 should be in accordance with the procedure laid down under section 148A of the Income Tax Act, 1961 and this fact has been reiterated by the Hon'ble Supreme Court in the case of

Union of India vs., Ashish Agarwal [2022] 444 ITR 1 (SC). Further, as per section 148A of the Act, the Assessing Officer shall, before issuing any notice under section 148, conduct any enquiry, if required, with the prior approval of the specified authority, with respect to the information which suggests that the income chargeable to tax has escaped assessment. Further, the Assessing Officer shall provide an opportunity of being heard to the assessee by serving upon him a notice under section 148A(b) of the Income Tax Act, 1961. Further, consider the reply of the assessee furnished, if any, in response to show cause notice referred to in clause (b) of section 148A of the Income Tax Act, 1961. Thereafter, pass an order under section 148A(d) of the Income Tax Act, 1961 within one month from the end of the month, in which time or extended time allowed to furnish a reply as per clause-(b) expires and issue notice under section 148 of the Act. In the present case, going by the facts available on record, the Assessing Officer has issued notice under section 148 of the Act without following the due procedure provided under section 148A of the

Income Tax Act, 1961, which is evident from the notice issued under section 148 of the Act dated 01.04.2021 and subsequent assessment order passed by the Assessing Officer under section 147 r.w.s.144B of the Income Tax Act, 1961 dated 29.03.2022. Further, the Assessing Officer has taken approval from the Pr. CIT instead of from the Pr. CCIT as required u/sec.151 of the Income Tax Act, 1961, where the assessment has been reopened beyond 3 years from the end of the relevant assessment year. Therefore, in our considered view, notice issued u/sec.148 of the Act on 01.04.2021 without due procedure provided u/sec.148A of the Act is illegal, void and thus, consequential assessment order passed by the Assessing Officer u/sec.147 r.w.s.144B of the Income Tax Act, 1961, dated 29.03.2022 is *void abinitio* and liable to be quashed.

9. The assessee has relied upon various judicial precedents in support of his contentions. The assessee had relied upon decision of Hon'ble High Court for the State of Telangana in the case of Kalyan Chillara vs., DCIT (supra). We find that, the Hon'ble High Court for the State of

Telangana under identical set of facts has held that, where last date for service of notice and initiating proceedings u/sec.148 under the un-amended provisions of Income Tax Act, 1961 coming to an end on 31.03.2021, but, notice had been issued from O/o. the Department either on 01.04.2021 or on subsequent dates, the impugned notice were barred by limitation under section 148 and 149 of the Income Tax Act, 1961. The Hon'ble Supreme Court has upheld the view taken by the Hon'ble High Court for the State of Telangana in the case of Kalyan Chillara by dismissing the SLP filed by the Revenue reported in [2025] 175 taxmann.com 688 (SC). From the ratio laid down by the Hon'ble Supreme Court and Hon'ble High Court of Telangana, it is undisputedly clear that, once notice issued under section 148 of the Act after 01.04.2021, then, it should be as per the new regime of re-assessment proceedings provided under section 148 and 148A of the Income Tax Act, 1961, otherwise, the notice issued under section 148 of the Income Tax Act, 1961 as per old regime is barred by limitation. Therefore, in our considered view, the notice issued under section 148 of the

act dated 01.04.2021 without due procedure as per Section 148A of the Act is certainly *void abinitio* and liable to be quashed.

10. Coming back to the arguments of the Learned Counsel for the Assessee. Learned Counsel for the Assessee argued that, once notice issued under section 148 of the Act was held to be as per new regime of re-assessment under section 148 and 148A of the Income Tax Act, 1961, then, the approval for issue of such notice should be from the Pr. Chief Commissioner of Income Tax as per section 151 of the Income Tax Act, 1961, whereas in the present case, the Assessing Officer has obtained approval from the Pr. Commissioner of Income Tax, Hyderabad-4, Hyderabad for issuance of notice under section 148 of the Act, which invalidates the said notice. We find that, as per the provisions of section 151 of the Act as amended from 01.04.2021, the Component Authority for sanction of issue of notice under section 148 at the Act is Pr. Chief Commissioner of Income Tax, if more than 3 years have elapsed from the end of the relevant assessment year. In the

present case, there is no dispute with regard to the fact that, notice issued for the assessment year 2016-2017 on 01.04.2021 is beyond 3 years from the end of the relevant assessment year and consequently, the Assessing Officer ought to have taken sanction from the Pr. Chief Commissioner of Income Tax instead of Pr. Commissioner of Income Tax, Hyderabad-4, Hyderabad. Therefore, on this count also, notice issued under section 148 of the Income Tax Act, 1961 on 01.04.2021 is invalid and consequent assessment proceedings are bad in law and liable to be quashed.

11. The assessee has relied upon the decision of ITAT, Hyderabad Bench, Hyderabad in the case of Iqbal Ali Jaweed, Hyderabad vs., ITO [INT. TAXN]-1, Hyderabad (supra), in support of his contention. The Coordinate Bench of Hyderabad Tribunal on identical set of facts has held as under :

“11. We have heard both the parties, perused the material on record and the orders of the authorities below. There is no dispute with regard to the fact that, reopening in the present case has been taken-up as per the amended

provisions of sec.147, 148, 149, 151 of the Income Tax Act, 1961. As per the amended provisions of sec.148 of the Act which is evident from subsequent notices issued by the Assessing Officer u/sec.148 of the Act dated 27.07.2022 where the Assessing Officer in light of the decision of Hon'ble Supreme Court in the case of Union of India vs., Ashish Agarwal (supra), has considered the earlier notice issued u/sec.148, as fresh notice in light of provisions of sec.148A(d) of the Act. Therefore, it is necessary for us to examine the validity of notice issued by the Assessing Officer u/sec.148 of the Act, after obtaining prior approval of the Commissioner of Income Tax [International Taxation]-2, Mumbai accorded on 25.07.2022. Admittedly, the Assessing Officer issued notice u/sec.148 of the Act, after obtaining prior approval of the Commissioner of Income Tax [International Taxation]-2, Mumbai, dated 25.07.2022, but, as per the amended provisions of sec.151(ii) of the Act, the Competent Authority for granting sanction u/sec.151(ii) of the Act, in a case where the assessment has been reopened after 3 years from the end of the relevant assessment year is Pr. CCIT or Pr. Director General of Income Tax, but, not CIT as considered by the learned Assessing Officer. This legal principle is supported by the decision of ITAT, Hyderabad in the case of Raziulla Syed, Hyderabad vs., ITO [Intl. TAXN]-2, Hyderabad in ITA.No.986/Hyd./2024, dated 11.03.2025 for the assessment year 2017-2018, where under identical set of facts, the Tribunal by following certain judicial precedents including the decision of Hon'ble Bombay High Court in the

case of Siemens Financial Services (P.) Ltd., vs., DCIT [2023] 457 ITR 647 (Bom.) held as under

“7. We have heard the rival submissions of both the parties and perused the material available on record. There is no dispute between the parties that the assessee is a Non-Resident Indian. Admittedly, in the instant case, the assessment has been reopened u/sec.147 of the Act by issuance of notice u/sec.148 of the Act dated 23.04.2021 and by virtue of the order of Hon’ble Supreme Court in the case of Union of India vs. Ashish Agarwal reported in 2022-SC-Online-SC-543, re-assessment notice issued has been treated as notice issued u/sec.148A of the Act and after due procedure final notice u/sec.148 of the Act dated 30.07.2022 was issued. The assessee contends that any re-assessment notice issued u/sec.148 of the Act after 1st April, 2021 falls under New Scheme of re-assessment proceedings and as per sec.151, the approval of the Specified Authority as specified therein should be obtained. According to the assessee, under New Scheme of re-assessment proceedings, the Specified Authority u/sec. 151(ii) of the Act, in case an assessment is reopened after a period of three years from the end of the relevant assessment year, the Principal Chief Commissioner or Principal Director General are the Specified Authority(ies). Since in the present case, the Assessing Officer has issued notice u/sec.148 of the Act dated 30.07.2022 after approval from Principal Commissioner of Income Tax-1, Hyderabad, the said approval is not in accordance with provision of sec.151(ii) of the Act and consequently, the notice issued by the Assessing Officer and assessment order passed u/sec.147 r.w.s.144C(13) of the Act dated

02.03.2024 is illegal, void abinitio and liable to be quashed.

7.1. There is no dispute with regard to the fact that the Assessing Officer issued original notice u/sec.148 of the Act for the assessment year in question on 23.04.2021 and as per new scheme of re-assessment procedure, the same has been treated as notice issued u/sec.148A of the Act in light of decision of Hon'ble Supreme Court in the case of Union of India vs. Ashish Agarwal (supra) and finally re-assessment notice u/sec.148 was issued to the assessee on 30.07.2022 after approval from the Principal Commissioner of Income Tax-1, Hyderabad dated 27.07.2022. As per the provisions of sec.151(ii) of the Act, if the reopening of the assessment is after three years from the end of the relevant assessment year, then the Specified Authority for grant of approval is Principal Chief Commissioner of Income Tax or Principal Director General of Income Tax and this legal principle is supported by the decision of Hon'ble Supreme Court in the case of Union of India vs. Rajeev Bansal [2024] 167 taxmann.com 70 (SC) wherein the Hon'ble Supreme Court has analysed the issue in light of decision of Hon'ble Supreme Court in the case of Union of India vs. Ashish Agarwal (supra), relevant Circulars/Notifications issued by CBDT and provisions of Taxation and Other Laws Amendment Act, 2021 [in short "TOLA"] and after considering relevant facts held that after 01.04.2021, the New Regime has specified different authorities for granting sanction u/sec.151(ii) of the Act and in case the assessment is reopened after three years from the end of the relevant assessment year, then the Specified Authority to grant sanction is the Principal Chief

Commissioner of Income Tax or Principal Director General of Income Tax. In the present case, there is no dispute with regard to the fact that the Assessing Officer issued notice u/sec.148 of the Act dated 30.07.2022 with the prior approval of Principal Commissioner of Income Tax-1, Hyderabad accorded on 27.07.2022 vide Ref.F.No.Pr.CIT-1/Hyd/147/2022-23. Therefore, in our considered view, notice issued by the Assessing Officer u/sec.148 of the Act dated 30.07.2022 with the approval of Principal Commissioner of Income Tax-1, Hyderabad dated 27.07.2022 is not in accordance with the provisions of sec.151(ii) of the Act and consequently, the re-assessment order passed by the Assessing Officer u/sec.147 r.w.s.144C(13) of the Act is illegal, void abinitio and liable to be quashed.

7.2. *The assessee has relied upon the decision of ITAT, Mumbai in the case of ACIT vs. Manish Financial ITA.No.5055/Mum./2024 wherein the Tribunal after considering the relevant provisions of law and also by following decision of Hon'ble Supreme Court in the case of Union of India vs., Rajeev Bansal (supra) held as under :*

"In assessee's case from the perusal of para 3 of the notice issued under section 148 for AY 2016-17 we notice that the same is issued with the prior approval of Pr.CIT-19 Mumbai accorded on 29.07.2022 vide reference No.Pr.CIT-19/148/2022-23 and this fact is not contravened by the ld DR. For AY 2016-17, the period of three years have elapsed as of 31.03.2020 and the notice is issued beyond three years on 30.07.2022. Therefore as per the decision of the

Hon'ble Supreme Court, the approval should have been obtained under the amended provisions of section 151(ii) of the Act i.e. the approval should have been obtained from the Principal Chief Commissioner whereas the approval has been obtained from Pr. CIT as stated in the notice under section 148 itself. Therefore we see merit in the contention of the assessee that the notice under section 148 for AY 2016-17 is issued without obtaining the prior approval from the appropriate authority. Accordingly we hold that the notice under section 148 is invalid and the consequent assessment under section 147 is liable to be quashed."

7.3. *The assessee also relied upon the decision of ITAT, Mumbai Bench in the case of Manish Jagdish Joshi vs. CIT ITA.No.1617/Mum./2024 and the Mumbai Bench of the Tribunal by following the decision of Hon'ble Bombay High Court in the case of Siemens Financial Services (P.) Ltd., vs. DCIT [2023] 457 ITR 647 (Bom.) held as under :*

"We find that while considering the similar issue and similar submissions the Hon'ble Jurisdictional High Court in Siemens Financial Services (P.) Ltd. v/s DCIT, (2023) 457 ITR 647 (Bom.) held that TOLA would not affect the scope of section 151 and sanction of Specified Authority was to be obtained in accordance with the law existing when the sanction was obtained. It was further held that where the Assessing Officer issued a reopening notice beyond the period of three years, approval was required to be taken as per provisions of amended section 151

from the Principal Chief Commissioner or Principal Director General or Chief Commissioner or Director General.

Therefore, respectfully following the aforesaid decision of the Hon'ble Jurisdictional High Court we find no merits in the reliance placed by the Revenue on the provisions of TOLA. As, in the present case, the period of three years has elapsed from the end of the relevant assessment year and the order dated 23/05/2022 was passed under section 148A(d) of the Act after obtaining the approval of the Principal CIT-1, Mumbai vide letter dated 15/07/2022, we are of the considered view that the Revenue has not followed the mandatory provisions of the Act while initiating the reassessment proceedings and sanction of the Specified Authority is not in conformity with the law prevalent at the time of grant of sanction."

7.4. *In this view of the matter and by respectfully following the decision of Hon'ble Supreme Court in the case of Union of India vs. Rajeev Bansal (supra) and also the decisions of ITAT, Mumbai Benches, Mumbai in the cases of ACIT vs. Manish Financial and Manish Jagdish Joshi vs. CIT (supra), we are of the considered view that the notice issued by the Assessing Officer u/sec.148 of the Act dated 30.07.2022 by obtaining prior approval from the Principal Commissioner of Income Tax-1, Hyderabad dated 27.07.2022 and consequential final assessment order dated 02.03.2024 passed by the Assessing Officer u/sec.147 r.w.s.144C(13) of the Act is illegal, void abinitio*

and thus, we quash the final assessment order dated 27.07.2022 passed by the Assessing Officer.”

12. *In this view of the matter and considering the facts and circumstances of the present case and also by following the decision of ITAT, Hyderabad Bench, Hyderabad in the case of Raziulla Syed, Hyderabad vs., ITO [Int. TAXN]-2, Hyderabad (supra), we are of the considered view that the notice issued u/sec.148 of the Act dated 27.07.2022 by obtaining prior approval from the Commissioner of Income Tax [International Taxation]-2, Mumbai dated 25.07.2022 is not in accordance with sec.151(ii) of the Income Tax Act, 1961 as applicable from 01.04.2021 onwards. Therefore, we quash the notice issued u/sec.148 of the Act dated 01.04.2021 and 27.07.2022 and consequent Final Assessment Order dated 13.03.2024 passed by the Assessing Officer u/sec.147 r.w.s.144C(13) of the Income Tax Act, 1961. Accordingly, the grounds raised by the assessee for the assessment year 2016-2017 are allowed”.*

12. In this view of the matter and considering the facts of the case and also by following judicial precedents discussed hereinabove, we are of the considered view that, the notice issued under section 148 of the Income Tax Act, 1961 dated 01.04.2021 and consequent assessment order passed by the Assessing Officer under section 147

r.w.s.144B of the Income Tax Act, 1961 dated 29.03.2022 is bad in law, *void abinitio* and liable to be quashed. We, thus, quash the assessment order passed by the Assessing Officer.

13. In the result appeal of the assessee allowed.

Order pronounced in the open Court on 24.09.2025.

Sd/-
[VIJAY PAL RAO]
VICE PRESIDENT

Sd/-
[MANJUNATHA G]
ACCOUNTANT MEMBER

Hyderabad, Dated 24th September, 2025

VBP

Copy to

1.	Sama Sangeeta Reddy [GPA Holder Sama Sunil Reddy], Hyderabad – 500 070. C/o. Katrapati & Associates, 1-1-298/2/B/3, Sowbhagya Avenue Apts. 1 st Floor, Ashok Nagar, Street No.1, Hyderabad – 500 020. Telangana.
2.	The DCIT, Central Circle-3(2), Aaykar Bhavan, Opp. LB Stadium, Basheerbagh, Hyderabad – 500 004. Telangana.
3.	The learned CIT(A), Hyderabad-11, Hyderabad
4.	The Pr. CIT, Central Circle, Hyderabad.
5.	The DR ITAT “B” Bench, Hyderabad.
6.	Guard File.

//By Order//

//True Copy//