

**IN THE INCOME TAX APPELLATE TRIBUNAL DELHI  
(DELHI BENCH 'C' NEW DELHI)**

**BEFORE SHRI S. RIFAUR RAHMAN, ACCOUNTANT MEMBER  
AND  
SHRI YOGESH KUMAR U.S., JUDICIAL MEMBER**

**ITA No. 3110/Del/2025 (A.Y. 2015-16)**

Vineet Prakash Bansal HUF Moh. Khatiyani, Dhampur, Bijnor, Uttar Pradesh <b>PAN:AADHV3779A</b>	Vs	Income Tax Officer, Aayakar Bhawan, New Civil Lines, Moradabad, Uttar Pradesh
<b>Appellant</b>		<b>Respondent</b>

Assessee by	Sh. Amit Goel, CA & Pravan Yadav, Adv
Revenue by	Sh. Dayinder Singh Sidhu, CIT DR
Date of Hearing	18/09/2025
Date of Pronouncement	24/10/2025

**ORDER**

**PER YOGESH KUMAR, U.S. JM:**

The present appeal is filed by the Assessee against the order of Ld. Commissioner of Income Tax (Appeals), Lucknow-3 ('Ld. CIT(A)' for short), dated 11/03/2025 for the Assessment Year 2015-16.

2. Brief facts of the case are that, a search and seizure operation u/s 132 of the Act carried out at the premises of Sh. Vibhu Prakash Bansal, Sh. Vineet Prakash Bansal and M/s Ravi Prakash and sons Saraffa Bazar on 10/08/2018, wherein certain incriminating materials and unexplained cash was found. An assessment order came to be passed u/s 153C of the Income Tax Act, 1961 ('Act' for

short) by making an addition of Rs. 7,84,510/- u/s 69 of the Act. Aggrieved by the said addition, the Assessee preferred an Appeal before the Ld. CIT(A). The Ld. CIT(A) vide order dated 11/03/2025, dismissed the Appeal of the Assessee. As against the order of the Ld. CIT(A), the Assessee filed the present Appeal.

3. The Ld. Counsel for the Assessee addressing on the additional grounds of Appeal submitted that the approval accorded u/s 153D of the Act is a mechanical and arbitrary approval without their being any application of mind and also without satisfying the statutory pre-conditions of the Act as such the assessment so framed is null and void. The Ld. Counsel further submitted that approval issued u/s 153D of the Act does not mention any seized document having been perused and a single approval has been granted for two Assessment Years pertaining to the Assessee. The Ld. Counsel relying on the Judgment of the Jurisdictional High court in the case of Pr. Commissioner of Income Tax Vs. Shiv Kumar Nayyar reported in 163 taxmann.com<sup>9</sup> dated 15/05/2024 in ITA No. 285/2024 (CMP No. 28994/2024) and other Judicial pronouncements, sought for allowing the Appeal and prayed for quashing the assessment order.

4. Per contra, the Ld. Departmental Representative submitted that the draft assessment order has been perused by the Additional Commissioner of Income Tax while according approval u/s 153D of the Act and the approval has been granted as per law on 08/06/2021 and there is no absence of application of mind, thus sought for dismissal of the Appeal.

5. We have carefully considered the submissions of the parties and also verified, material available on record and the case laws cited. The legal objection of transgression of requirement of approval under s. 153D of the Act is in question which has the effect on the very substratum of the assessment and consequential appellate proceedings.

6. For the purpose of deciding the issue of legality of approval accorded u/s 153D of the Act and the consequential assessment proceedings, we shall straightway advert to the approval accorded u/s 153D of the Act. The typed copy of the approval under s. 153D of the Act dated 08/06/2021 granted by the Addl. CIT, Central Range-, Lucknow addressed to ACIT, Central Circle- Moradabad is reproduced hereunder:-

**“Office of the**

**Addl. Commissioner of Income Tax, Central Range  
27/2 P.K. Complex, Raja Ram Mohan Rai Marg, Lucknow**

F No Addl/CIT/CR/LKO/MBD/Approval/153D/ 2020-21

Dated 08.06.2021

To

The Asstt. Commissioner of Income Tax,  
Central Circle, Moradabad

**Sub: Approval u/s 153D of the I.T. Act, 1961 related to the case of Sh. VineetePrakash Bansal HUF (PAN: AADHV3779A) (Regarding).**

Please refer to your letter F.No. ACIT/MBD/Ravi Prakash & Sons/ approval/2020-21 dated 02.06.2021, on the above mentioned subject

2. After examination of various issues and discussion with the assessing officer telephonically several times and after having a meeting with AO on 18.03.2021 the draft assessment orders submitted by AO are hereby approved u/s 153D of the Income Tax Act, 1961 in the following cases:-

S No.	Name and address of the Assessee	PAN	A.Yr	U/s
1	Vineet Prakash Bansal (HUF)	AADHV3779A	2014-15, 2015-16 & 2017-18	153(C)

Sd/-

(R.K. Agarwal)

Addl. Commissioner of Income Tax  
Central Range, Lucknow

7. On a perusal of the approval dated 08.06.2021, addressed by ACIT Central Range to the Addl. CIT, it emerges that the Addl. CIT, has not uttered a word on the subject matter of additions. The approval is in the nature of Performa approval; the approval granted smacks of mechanical or perfunctory approval in a symbolic exercise of powers

vested under s. 153D of the Act. Apart from the same, a single approval has been granted for three Assessment Years pertaining to the Assessee.

8. The Hon'ble Jurisdictional High Court in the case of Pr. Commissioner of Income Tax Vs. Shiv Kumar Nayyar (supra) held as under:-

*"11. A plain reading of the aforesaid provision evinces an uncontrived position of law that the approval under Section 153D of the Act has to be granted for "each assessment year" referred to in clause (b) of sub-section (1) of Section 153A of the Act. It is beneficial to refer to the decision of the High Court of Judicature at Allahabad in the case of PCIT v. Sapna Gupta [2022 SCC OnLine All 1294] which captures with precision the scope of the concerned provision and more significantly, the import of the phrase- "each assessment year" used in the language of Section 153D of the Act. The relevant paragraphs of the said decision are reproduced as under:-*

*"13. It was held therein that if an approval has been granted by the Approving Authority in a mechanical manner without application of mind then the very purpose of obtaining approval under Section 153D of the Act and mandate of the enactment by the legislature will be defeated. For granting approval under Section 153D of the Act, the Approving Authority shall have to apply independent mind to the material on record for "each assessment year" in respect of "each assessee" separately. The words 'each assessment year' used in Section*

*153D and 153A have been considered to hold that effective and proper meaning has to be given so that underlying legislative intent as per scheme of assessment of Section 153A to 153D is fulfilled. It was held that the "approval" as contemplated under 153D of the Act, This is a digitally signed order.*

*The authenticity of the order can be re-verified from Delhi High Court Order Portal by scanning the QR code shown above. The Order is downloaded from the DHC Server on 20/05/2024 at 21:34:51 requires the approving authority, i.e. Joint Commissioner to verify the issues raised by the Assessing Officer in the draft assessment order and apply his mind to ascertain as to whether the required procedure has been followed by the Assessing Officer or not in framing the assessment. The approval, thus, cannot be a mere formality and, in any case, cannot be a mechanical exercise of power.*

*\*\*\**

*19. The careful and conjoint reading of Section 153A(1) and Section 153D leave no room for doubt that approval with respect to "each assessment year" is to be obtained by the Assessing Officer on the draft assessment order before passing the assessment order under Section 153A." [Emphasis supplied]*

*12. It is observed that the Court in the case of Sapna Gupta (supra) refused to interdict the order of the ITAT, which had held that the approval under Section 153D of the Act therein was granted without any independent application of mind. The Court took a view that the approving authority had wielded the power to accord approval mechanically, inasmuch as, it was humanly impossible for the said authority to have perused and appraised the records of 85 cases in a single day. It was explicitly held that the authority*

*granting approval has to apply its mind for "each assessment year" for "each assessee" separately.*

*13. Reliance can also be placed upon the decision of the Orissa High Court in the case of Asst. CIT v. Serajuddin and Co. [2023 SCC OnLineOri 992] to understand the exposition of law on the issue at hand. Paragraph no.22 of the said decision reads as under:-*

*"22. As rightly pointed out by learned counsel for the assessee there is not even a token mention of the draft orders having been perused by the Additional Commissioner of Income-tax. The letter simply grants an approval. In other words, even the bare minimum requirement of the approving authority having to indicate what the thought process involved was is missing in the aforementioned approval order. While elaborate reasons This is a digitally signed order.*

*The authenticity of the order can be re-verified from Delhi High Court Order Portal by scanning the QR code shown above. The Order is downloaded from the DHC Server on 20/05/2024 at 21:34:51 need not be given, there has to be some indication that the approving authority has examined the draft orders and finds that it meets the requirement of the law. As explained in the above cases, the mere repeating of the words of the statute, or mere "rubber stamping" of the letter seeking sanction by using similar words like "seen" or "approved" will not satisfy the requirement of the law. This is where the Technical Manual of Office Procedure becomes important. Although, it was in the context of section 158BG of the Act, it would equally apply to section 153D of the Act. There are three or four requirements that are mandated therein,*

*(i) the Assessing Officer should submit the draft assessment order "well in time". Here it was submitted just two days prior to the deadline thereby putting the approving authority under great pressure and not giving him sufficient time to apply his mind ; (ii) the final approval must be in writing ; (iii) the fact that approval has been obtained, should be mentioned in the body of the assessment order." [Emphasis supplied]*

14. During the course of arguments, learned counsel for the assessee apprised this Court that the Special Leave Petition preferred by the Revenue against the decision in the case of Serajuddin (*supra*), came to be dismissed by the Supreme Court vide order dated 28.11.2023 in SLP (C) Diary no. 44989/2023.

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.

16. In the present case, the ITAT, while specifically noting that the approval was granted on the same day when the draft assessment orders were sent, has observed as under:-

*"10. We have gone through the approval granted by the ld. Addl. CIT on 30.12.2018 u/s 153D of the Act which is enclosed at page 36 of the paper book of the assessee. The said letter clearly states This is a digitally signed order.*

*The authenticity of the order can be re-verified from Delhi High Court Order Portal by scanning the QR code shown above. The Order is downloaded from the DHC Server on 20/05/2024 at 21:34:51 that a letter dated 30.12.2018 was filed by the ld. AO before the ld. Addl. CIT seeking approval of draft assessment order u/s 153D of the Act. The ld. Addl. CIT has accorded approval for the said draft assessment orders on the very same day i.e., on 30.12.2018 for seven assessment years in the case of the assessee and for seven assessment years in the case of Smt. NeetuNayyar. It is also pertinent in this regard to refer to pages 68 and 69 of the paper book which contains information obtained by Smt. NeetuNayyar from Central Public Information Officer who is none other than the ld. Addl. Commissioner of Income-tax, Central Range-S, New Delhi, under Right to Information Act, wherein, it reveals that the ld. Addl. CIT had granted approval for 43 cases on 30.12.2018 itself. This fact is not in dispute before us. Of these 43 cases, as evident from page 36 of the paper book which contains the approval u/s 153D, 14 cases pertained to the assessee herein and Smt. NeetuNayyar. The remaining cases may belong to some other assessees, which information is not available before us. In any event, whether it is humanly possible for an approving authority like ld. Addl. CIT to grant judicious approval u/s 153D of the Act for 43 cases on a single day is the subject matter of dispute before us. Further, section 153D provides that approval has to be granted for each of the assessment year whereas, in the instant case, the ld. Addl. CIT has granted a single approval for all assessment years put together."*

*17. Notably, the order of approval dated 30.12.2020 which was produced before us by the learned counsel for the assessee clearly signifies that a single approval has been granted for AYs 2011-12 to 2017-18 in the case of the assessee. The said order also fails to make any mention of the fact that the draft assessment orders were perused at all, much less perusal of the same with an independent application of mind. Also, we cannot lose sight of the fact that in the instant case, the concerned authority has granted approval for 43 cases in a single day which is evident from the findings of the ITAT, succinctly encapsulated in the order extracted above.”*

9. Significantly, the Hon'ble Orissa High Court in the case of *ACIT vs Serajuddin & Co.* 454 ITR 312 (Orissa) had an occasion to examine substantial question of law on the propriety of approval granted under Section 153D of the Act. The Orissa High Court made wide ranging observations towards the manner and legality of approval under s. 153D of the Act. The Hon'ble High Court *inter-alia* observed that the approval under s. 153D of the Act being mandatory, while elaborate reasons need not be given, there has to be some indication that approving authority has examined draft orders and finds that it meets the requirement of law. The approving authority is expected to indicate his thought process while granting approval, held that it is not correct on the part of the Revenue to contend that the approval itself is not justiciable. Where the Court finds that the approval is granted

mechanically, it would vitiate the assessment order itself. The approval letter simply grants approval. In other words, even the bare minimum requirement of approving authority having to indicate what thought process involved leading to the aforementioned approval has not been provided. As explained, the mere repeating of words of the Statute or mere rubber stamping of the communication seeking sanction by using similar words like 'approval' will not, by itself, meet the requirement of law. The Hon'ble Court made reference to manual issued by the CBDT in the context of erstwhile section 158BG of the Act and observed that such manual serves as a guideline to the AOs. Since it was issued by CBDT, the powers of issuing such guidelines can be traced to section 119 of the Act. The Hon'ble High Court also held that non-compliance of requirement of section 153D of the Act is not a mere procedural irregularity and lapse committed by Revenue may vitiate the assessment order.

10. The ratio of judgment delivered in the case of *ACIT vs Serajuddin & Co. Kolkata*; *PCIT vs Anuj Bansal*; *PCIT vs Shiv Kumar Nayyar*; and *PCIT vs Subhash Dabas* (supra) has held in chorus that the approval granted under s. 153D of the Act, if granted mechanically, will vitiate the assessment order itself. The SLP filed against the aforesaid judgment in the case of *ACIT vs Serajuddin & Co. Kolkata* was dismissed as reported in (2024) 163 taxmann.com 118 (SC).

11. As noted above, in the instant case, a single approval u/s 153D has been accorded in respect of three Assessment Years pertaining to the Assessee, there is no mentioning of seized material in the other material to show involvement of the superior authority in the approval granted by the ACIT. Applying the ratio of judgments delivered as noted above, the assessment order based on ritualistic approval stands vitiated and thus quashed.

12. In the result, the appeal of the Assessee in ITA No. 3110/Del/2025 is allowed.

13. Since, we have quashed the Assessment Order on the ground of erroneous approval accorded u/s 153D of the Act by allowing the additional grounds of Appeal, we do not consider it necessary to address on other legal and factual contentions raised in the other grounds of Appeal of the Assessee.

**Order pronounced in the open court on 24<sup>th</sup> October, 2025**

**Sd/-**

**Sd/-**

**(S. RIFAUR RAHMAN)  
ACCOUNTANT MEMBER**

Date:- 24.10.2025  
R.N, Sr.P.S\*

**(YOGESH KUMAR U.S.)  
JUDICIAL MEMBER**

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR  
ITAT, NEW DELHI