



IN THE INCOME TAX APPELLATE TRIBUNAL  
PUNE BENCHES "B", PUNE

BEFORE DR.MANISH BORAD, ACCOUNTANT MEMBER  
AND SHRI VINAY BHAMORE, JUDICIAL MEMBER

आयकर अपील सं. / ITA No.2062/PUN/2025  
Assessment Year : 2017-18

Siddharth Raikumar Nahar, 121, C/o. M.M. Nahar, Market Yard, Pune 411 037 Maharashtra PAN : AANPN7448N	Vs.	DCIT, Circle-5, Pune
Appellant		Respondent

Appellant by	:	Shri Nikhil S Pathak
Respondent by	:	Shri Bharat Andhale
Date of hearing	:	08.10.2025
Date of pronouncement	:	29.10.2025

**आदेश / ORDER**

**PER DR. MANISH BORAD, ACCOUNTANT MEMBER :**

The captioned appeal at the instance of assessee pertaining to A.Y. 2017-18 is directed against the order dated 03.07.2025 framed by National Faceless Appeal Centre, Delhi (ld.CIT(A)/NFAC) emanating out of Assessment Order dated 19.05.2023 passed u/s.147 r.w.s.144B of the Income Tax Act, 1961 (in short 'the Act').

2. Assessee has raised following grounds of appeal :

*"1] The assessee submits that the notice issued u/s 148 is bad in law and accordingly, the reassessment order passed u/s 147 be declared null and void.*

*2] The assessee submits that the notice issued by the ld. A.O. u/s. 148 dated 15.07.2022 is barred by limitation since the same has been passed subsequent to the surviving time limit prescribed by Hon'ble Supreme Court in the case of Rajeev Bansal and hence, the reassessment Order passed u/s. 147 be declared null and void.*



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3] The assessee submits that the approval obtained u/s 148/148A (d) is invalid in law and therefore, on this ground also the notice issued u/s 148 is illegal and the asst. order passed u/s 147 be declared null and void.

4] The assessee submits that the notice issued u/s 148 dated 15.07.2022 is invalid in law since the same has been issued by the Jurisdictional Assessing Officer (JAO) and not by the Faceless Assessing Officer (FAO) and hence, the said notice issued u/s 148 be declared null and void.

5] The assessee submits that the provisions of section 147 cannot be resorted to for making an addition based on the documents seized during the search on a third party and accordingly, the reassessment order passed u/s 147 by the learned A.O. is invalid in law and the same may kindly be declared null and void.

6] The learned CIT(A) erred in confirming the addition of Rs.5,00,000/- made u/s 69A of the Act on the ground that the assessee had lent the said amount in cash through Shri Sachin Nahar.

7] The learned CIT(A) erred in not appreciating that the assessee had not lent any amount of Rs.5,00,000/- in cash though Shri Sachin Nahar and hence, no addition was warranted u/s 69A of the Act and accordingly, the addition made may kindly be deleted.

8] The learned CIT(A) failed to appreciate that there was no corroborative evidence to prove that the assessee had lent an amount of Rs.5,00,000/- through Shri Sachin Nahar and therefore, there was no reason to make the addition.

9] The learned CIT(A) erred in not appreciating that no addition could be made in the hands of the assessee based on the evidence seized from third party and accordingly, the said addition of Rs.5,00,000/- may kindly be deleted.

10] The learned CIT(A) further erred in confirming the addition of interest income of Rs.30,000/- without appreciating that no such interest was received by the assessee and accordingly, the addition made was not justified.

11] The learned CIT(A) erred in not appreciating that the addition was made by placing reliance on the statement of Shri Sachin Nahar without giving any opportunity to the assessee to cross examine the said person and hence, the addition made is not justified and the same may kindly be deleted.

12] The appellant craves leave to add, alter, amend or delete any of the above



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3. At the outset, Ld. Counsel for the assessee referring to Ground No.3 submitted that in absence of proper approval as mandated u/s.151 of the Act, the notice issued u/s.148/148A(d) of the Act is invalid and therefore the reassessment proceedings carried out u/s.147 are null and void. In support, reliance placed on the decision of this Tribunal in the case of *Sanchit Kantilal Ganore Vs. ITO – ITA No.1767/PUN/2025 dated 19.09.2025*.

4. On the other hand, ld. Departmental Representative supported the finding of ld.CIT(A) but failed to controvert the contentions made by ld. Counsel for the assessee by placing any binding precedent in its favour.

5. We have heard rival contentions and perused the record placed before us. We note that the assessee is an individual and for carrying out the reassessment proceedings u/s.147 of the Act for A.Y. 2017-18 notice u/s.148A(d) and 148 of the Act have been issued to the assessee on 13.07.2022 and 15.07.2022 respectively. For issuing these notices, ld. Assessing Officer has taken the approval from ld.PCIT-3, Pune. Before us, ld. Counsel for the assessee has referred to provisions of section 151 of the Act and has submitted that as per section 151 of the Act specified authority for the purpose of section 148 and 148A of the Act is Principal Commissioner or Principal Director or Commissioner or Director if three years or less than three years have elapsed from the end of relevant assessment year and for cases where the notice have been issued after more than three years, approval has to be taken from Principal Chief Commissioner or Principal Director General or Chief Commissioner or Director General. Since in the instant case reopening has been carried out after three



years but the approval has been taken from Principal Commissioner and not from Principal Chief Commissioner, therefore, the approval is invalid and renders the reopening proceeding as illegal and bad in law.

6. We further notice that similar issue came for adjudication before this Tribunal in the case of *Sanchit Kantilal Ganore Vs. ITO (Supra)* and this Tribunal after placing reliance on plethora of judgments including that of judgment passed by Hon'ble Jurisdictional High Court in the case of *Agnello Oswin Dias Vs. ACIT (2024) 161 taxmann.com 16 (Bombay)* has decided as follows :

*“4.2 Assessee has taken various legal grounds. Ld.AR invited our attention to notice u/s.148 of the Act, dated 29.07.2022 which is at page no.10 to 11 of the paper book. It is observed that the said notice was approved by ld.Principal Commissioner of Income Tax-1, Nashik. It is also observed that the said notice does not have any DIN NUMBER. It is also observed that order u/s.148A(d) dated 29.07.2022 was approved by ld.Principal Commissioner of Income Tax-1, Nashik.*

4.3 Section 151 of the I.T.Act is reproduced here as under :

*[Sanction for issue of notice.*

*151. Specified authority for the purposes of section 148 and section 148A shall be,—*

*(i) Principal Commissioner or Principal Director or Commissioner or Director, if three years or less than three years have elapsed from the end of the relevant assessment year;*

*(ii) Principal Chief Commissioner or Principal Director General or where there is no Principal Chief Commissioner or Principal Director General, Chief Commissioner or Director General, if more than three years have elapsed from the end of the relevant assessment year.]*

5. In this case, it is an admitted fact that more than three years have lapsed from the end of the Assessment Year. Therefore, as per Section 151 of the Act, the Competent Authority to approve the notice u/s.148 and order u/s.148A(d) of the Act, is the ld.Principal Chief Commissioner of Income or ld.Chief Commissioner of Income Tax.



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However, in this case, notice has been approved by Id.Principal Commissioner of Income Tax.

5.1 The Hon'ble Jurisdictional High Court in the decision of *Holiday Developers (P.) Ltd, Vs. ITO [2024] 159 taxmann.com 178 (Bombay) dated 29.01.2024* has held as under :

Quote "1. Petitioner is impugning a order under section 148A(d) and the notice, both dated 7th April 2022 passed under section 148 of the Income Tax Act, 1961 ("Act"). Of-course Petitioner has also impugned the notice dated 17th March 2022 issued under section 148A(b) of the Act. Various grounds have been raised but one of the primary grounds for challenging the notice under section 148A(d) and the notice under section 148 of the Act both dated 7th April 2022 is that order as well as the notice both mention the authority that has granted approval, is the Principal Commissioner of Income Tax ("PCIT"), Mumbai 5 and the approval has been granted on 7th April 2022.

2. Mr. Gandhi is correct in saying that the Assessment Year ("AY") is 2018-19 and, therefore, since more than three years have expired from the end of the assessment year, Sanctioning Authority under section 151(ii) of the Act should be the Principal Chief Commissioner of Income Tax ("PCCIT") and not the PCIT. Mr. Gandhi says, as held in *Siemens Financial Services (P.) Ltd. v. Dy. CIT [2023] 154 taxmann.com 159/457 ITR 647 (Bom.)*, the sanction is invalid and consequently, the order and the consequent notice under section 148A(d) and section 148, respectively, of the Act should be quashed and set aside.

3. In view of these facts and circumstances, we do not see any reason to just grant Rule and keep the matter pending.

4. As held in *Siemens (Supra)*, the order passed under section 148A(d) and notice issued under section 148 of the Act both are quashed and set aside." Unquote.

5.2 The Hon'ble Jurisdictional High Court in the case of *Agnello Oswin Dias Vs. ACIT [2024] 161 taxmann.com 16 (Bombay)* has held as under :

"4. The impugned order and the impugned notice both dated 22nd April 2022 state that the Authority that has accorded the sanction is the PCIT, Mumbai-5. The matter pertains to Assessment Year ("AY") 2018-2019 and since the impugned order as well as the notice are issued on 22nd April 2022, both have been issued beyond a period of three years. Therefore, the sanctioning authority has to be the PCCIT as provided under Section 151(ii) of the Act. The proviso to Section 151 of the Act has been inserted only with effect from 1st



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*April 2023 and, therefore, shall not be applicable to the matter at hand.*

*5. In the circumstances, as held by this Court in Siemens Financial Services (P.) Ltd. v. Dy. CIT [2023] 154taxmann.com 159/457 ITR 647 (Bom.), the sanction is invalid and consequently, the impugned order and impugned notice both dated 22nd April 2022 under sections 148A(d) and 148 of the Act are hereby quashed and set aside.”*

*6. ITAT Pune in the case of Hareshkumar Dungarmal Jain vs. DCIT in ITA No.1933/PUN/2024, quashed the Notice u/s.148 of the Act, dated 13.04.2022 for A.Y.2018-19.*

*7. The Hon’ble Madras High Court in the case of Core Logistic Company vs. ACIT, Writ Petition No.18168 of 2023 order dated 05.06.2025 has held as under :*

*Quote. “9. A perusal of Section 151(i) would show that, the specified authority for the purpose of issuing notice under Section 148 within a period of three years from the end of the relevant assessment year is, the Principal Commissioner or Principal Director or Commissioner or Director. Further, in terms of provision of Section 149, three year time period is fixed for issuance of 148 notice, in the event of the amount is below 50 lakhs. In the present case, the amount involved is Rs.3,65,09,748/-, which is more than 50 lakhs. 148 notice was issued on 25.07.2022, which is beyond the period of three years. So admittedly, the approval has to be obtained from the Principal Chief Commissioner or Principal Director General or Chief Commissioner or Director General as defined under Section 151(ii). But, in the present case, the approval was obtained from the Principal Commissioner in terms of Section 151(i) and no approval was obtained before issuance of 148 notice in terms of provision of Section 151(ii), which is mandatory. Therefore, the notice under Section 148 was issued in the present case in violation of provision of Section 151(ii) of the Income Tax Act. In view thereof, the initiation of proceedings itself is without any jurisdiction. Hence, the same is liable to be quashed.” Unquote*

*7.1 Thus, in this case notice u/s.148 dated 29.07.2022 was approved by Principal Commissioner of Income Tax and the order u/s.148A(d) was approved by Principal Commissioner of Income Tax-1, Nashik for A.Y.2017-18, which is after the lapse of three years from the end of Assessment Year. Therefore, as per section 151, the Authority to approve is Principal Chief Commissioner of Income Tax/Chief Commissioner of Income Tax. Thus, Section 151 has been violated in this case. Therefore, respectfully following the Hon’ble High Courts(supra) and Hon’ble ITAT, we hold that Notice u/s.148 is bad in law. Accordingly, consequential assessment order is void ab-initio.*



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7. After carefully going through the above decision of this Tribunal and the ratio laid down by Hon'ble Jurisdictional High Court *Agnello Oswin Dias Vs. ACIT (supra)*, we find that the same is squarely applicable on the legal issue raised in the instant appeal and find that ld. AO for issuing notice u/s.148 of the Act beyond three years for carrying out reassessment proceedings for A.Y. 2017-18 has not taken proper approval as mandated u/s.151 of the Act from the authority approved therein and rather than taking the approval from Principal Chief Commissioner or Chief Commissioner, has taken the approval from Principal Commissioner. Since the approval taken u/s.151 is not proper, therefore, the notice u/s.148A(d) of the Act is held to be invalid which renders the subsequent assessment proceedings as null and void and without jurisdiction and are therefore quashed. Ground No.3 raised by the assessee is allowed.

8. Dealing with remaining grounds on legal and merit issue would be merely academic in nature as we have already quashed the reassessment order and thus held to be infructuous.

9. In the result, the appeal filed by the assessee is allowed as per terms indicated above.

Order pronounced on this 29<sup>th</sup> day of October, 2025.

Sd/-  
**(VINAY BHAMORE)**  
**JUDICIAL MEMBER**

Sd/-  
**(MANISH BORAD)**  
**ACCOUNTANT MEMBER**

पुणे / Pune; दिनांक / Dated : 29<sup>th</sup> October, 2025.  
*Satish*



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**आदेश की प्रतिलिपि अग्रेषित / Copy of the Order forwarded to :**

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The Pr. CIT concerned.
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "B" बेंच,  
पुणे / DR, ITAT, "B" Bench, Pune.
5. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

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Senior Private Secretary  
आयकर अपीलीय अधिकरण, पुणे / ITAT, Pune.