

INCOME TAX APPELLATE TRIBUNAL
AGRA BENCH "SMC": AGRA
BEFORE SHRI M. BALAGANESH, ACCOUNTANT MEMBER
(Through virtual hearing)

ITA No. 280/AGR/2025
(Assessment Year: 2010-11)

Sudhindra Pal Singh, Bara Bhondela, at Bara Bhondela, Awagarh, Etah- 207 301, Etah	Vs.	Income Tax Officer, Ward-3(2), Etah
(Appellant)		(Respondent)
PAN: EKYPS0396P		

Assessee by :	Shri S. C. Jain, CA
Revenue by:	Shri Anil Kumar, Sr. DR
Date of Hearing	18/11/2025
Date of pronouncement	26/11/2025

ORDER

1. The appeal in ITA No. 280/AGR/2025 for AY 2010-11, arises out of the order of the National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as 'Id. NFAC', in short] dated 08.05.2024 against the order of assessment passed u/s 144/147 of the Income-tax Act, 1961 (hereinafter referred to as 'the Act') dated 21.12.2017 by the Assessing Officer, Income Tax Officer, Ward-3(2), Etah (hereinafter referred to as 'Id. AO').

2. The Ground No. 1 raised by the assessee pertains to challenging the validity of assumption of jurisdiction under section 147 of the Act. I find that the assessee has also raised additional ground of appeal stating that

the approval granted under section 151 of the Act by the learned PCIT for reopening the assessment is mechanical which vitiates the entire reassessment proceedings.

3. Since this additional ground, being a purely legal issue and facts relevant for its adjudication are already on record, I admit the said additional ground and take up first for the purpose of adjudication.

4. I have heard the rival submissions and perused the materials available on record. In this case, information was received by the office of the learned AO that there was some cash deposits made in the savings bank account of the assessee in the sum of Rs 12 lakhs. The assessee was queried to explain the source of such cash deposits. The assessee responded that he is an agriculturist and that the cash deposits were made out of sale proceeds of agriculture produce and submitted his PAN to be EKYPS0396P. The assessee also furnished the entire land records together with the patta and also gave proof of cultivation. The learned AO however concluded that the assessee has not established as to how much and whose land he has cultivated and formed a belief that cash deposits are to be treated to have been made out of income from undisclosed sources. Based on this, the learned AO reopened the assessment of the assessee u/s 147 of the Act vide issuance of notice u/s 148 of the Act on 24.03.2017. The reasons recorded for reopening the assessment together with the approval granted by the learned Principal Commissioner of Income Tax, Aligarh [learned PCIT] in terms of section 151 of the Act are enclosed in pages 4 and 5 of the Paper Book. On perusal of the proforma seeking approval u/s 151 of the Act, I find that the learned PCIT had merely stated that – “Yes, it is a fit case for the notice u/s 148”. This sort of approval granted u/s 151 of the Act was held to be approval granted without application of mind and construed as mechanical by the Hon’ble

Madhya Pradesh High Court in the case of CIT Vs. S. Goyenka Lime and Chemicals Ltd reported in 56 taxmann.com 390 (MP HC). The Special Leave Petition (SLP) filed by the revenue against this decision was dismissed by the Hon'ble Supreme Court reported in 64 taxmann.com 313. Further, I find that the Hon'ble Delhi High court in the case of PCIT Vs. NC Cables Ltd reported in 391 ITR 11 (Del) had also held the same, wherein, the approving authority had merely stated "approved" in the proforma while granting approval in terms of section 151 of the Act. This approval was held by the Hon'ble Delhi High court to be a mechanical approval. The relevant observation of the Hon'ble Delhi High Court in this regard are reproduced herein:-

"11. Section 151 of the Act clearly stipulates that the CIT (A), 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 CIT (A) 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 ITAT cannot be disturbed.

12. The substantial questions of law framed are answered in favour of the assessee and against the Revenue. The appeal is dismissed."

5. Respectfully following the aforesaid decisions, I hold that the reopening has been made in the instant case by not taking approval u/s 151 of the Act from the competent authority in the manner known to law. Accordingly, the entire reassessment proceedings are hereby quashed. Hence, one of the legal grounds challenging the validity of assumption of jurisdiction u/s 147 of the Act is allowed in the above mentioned terms. Since the reassessment is quashed, the other legal grounds raised by the assessee as well as the grounds raised by the assessee on merits need not be adjudicated and they are left open.

6. In the result, the appeal of the assessee is allowed.

Order pronounced in the open court on 26/11/2025.

-Sd/-
(M. BALAGANESH)
ACCOUNTANT MEMBER

Dated: 26/11/2025
A K Keot

Copy forwarded to

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

ASSISTANT REGISTRAR
ITAT, New Delhi