



आयकर अपीलीय अधिकरण, राजकोट न्यायपीठ, राजकोट।
IN THE INCOME TAX APPELLATE TRIBUNAL,
RAJKOT BENCH, RAJKOT

BEFORE DR. ARJUN LAL SAINI, ACCOUNTANT MEMBER
AND
SHRI DINESH MOHAN SINHA, JUDICIAL MEMBER

आयकर अपील सं./ITA Nos. 498 & 499/RJT/2025
निर्धारणवर्ष /Assessment Years: 2015-16 & 2020-21

Gopal Snacks Pvt. Ltd. Plot No.2322-2324, GIDC Metoda, Lodhika, Rajkot, Gujarat-360021 PAN : AADCG6113A	बनाम Vs.	Asst. Commissioner of Income Tax Circle-1(1), Rajkot
(अपीलार्थी/Appellant)	:	(प्रत्यर्थी/Respondent)

निर्धारिती की ओर से/Assessee by : Shri Prakash Jhunjhunwala and Shri
K. K. Maloo, ARs.
राजस्व की ओर से/Revenue by : Shri Shramdeep Sinha, CIT.DR &
Shri Abhimanyu Singh, Sr. DR
सुनवाई की तारीख/Date of Hearing : 19/11/2025
घोषणा की तारीख/Date of Pronouncement : 08/12/2025

ORDER

Per, Dr. Arjun Lal Saini, Accountant Member:

Captioned two appeals filed by the same assessee, pertaining to assessment years (A.Ys.) 2015-16 & 2020-21, are directed against the separate orders passed under section 250 of the Income Tax Act, 1961 (hereinafter referred to as “the Act”) by National Faceless Appeal Centre (NFAC), Delhi / Commissioner of Income-tax (Appeals), dated 18.06.2025 & 17.06.2025, which in turn arise out of separate orders passed by the Assessing Officer u/s 147 r.w.s.



144B of the Act, on 29.03.2022 and u/s. 143(3) r.w.s. 144B of the Act, on 19.09.2022.

2. First, we shall take ITA No.499/Rjt/2025 for assessment year (A.Y.) 2020-21, wherein the grounds of appeal raised by the assessee in ITA No.499/Rjt/2025 are as follows:

(i) On facts and circumstances of the case and in law, Ld. CIT(A) erred in confirming the total income of Rs.60,75,10,430/-, determined in assessment order u/s 143(3), as per the income processed by Centralised Processing Centre (CPC), on ignoring the fact that the total income determined by the CPC, in order passed u/s.143(1), is of Rs.61,46,09,250/-.

(ii) On facts and circumstances of the case and in law, Ld. CIT(A) ought to have deleted the disallowance of deduction u/s.80JJAA of Rs.3,01,93,275/-, since such deduction had subsequently been allowed by the CPC in rectification order passed u/s 154 of the Act.

(iii) The Ld. CIT(A) erred in confirming the total income as computed by the CPC, on ignoring the fact though the adjustments made in intimation u/s 143(1) are not permissible u/s. 143(1)(a)(i) to (vi) of the Act.

(iv) The Ld. CIT(A) erred in confirming the total income as determined by the CPC, though the intimation of proposed adjustments was not given to the appellant in accordance to 1st Proviso to Sec. 143(1) of the Act.

(v) The Ld. CIT(A) ought to have deleted the additions/disallowances made in intimation u/s.143(1) and Rectification order u/s.154, since such adjustments does not comprise of the mistake apparent on record.

(vi) The Ld. CIT(A) erred in confirming the total income as processed by the CPC, on ignoring the fact that the notice for enhancing the income has not been served to the appellant u/s 154(3) of the Act.

3. The facts of the case which can be stated quite shortly are as follows: The assessee e-filed its return of income for assessment year (A.Y.) 2020-21 on 28.01.2021, declaring total income Rs.58,44,15,970/-, which was processed u/s 143(1) of the Income Tax Act, 1961 by the CPC, Bengaluru at total income of Rs.60,75,10,430/-. Further, the assessee`s case was selected for scrutiny through CASS and the assessee`s case was picked up for scrutiny for the following reasons, Viz: (i)Refund Claim (ii).ICDS compliance and adjustment, (iii)



deduction from total income under Chapter VI-A. Accordingly, a notice u/s 143(2) of the Act was issued on 29.06.2021 and was duly served on the assessee. Subsequently, the notices u/s 142(1) of the Income Tax Act, 1961 along with questionnaire was issued and details were called for under e-assessment scheme. The assessee has stated that during the year under consideration, its tax liability for the advance tax purpose based on the average gross margin. The prices of palm oil have showed considerable hike resulted in reduction in our operating margin. The comparative average purchase price chart of the main raw material used by the assessee, was submitted before the assessing officer and also stated that the lockdown imposed in the last week of March, 2020 has also adversely impacted their profit margin and there were in the business of Rs. 5 ready to eat packaged namkeen food operated through dealer's network. Therefore, they could not be change their price and quantity frequently to match with raw materials prices. The advance tax calculated at assumption basis turned worn and refund of substantial amount was claimed. The reply filed by the assessee on this issue is acceptable; hence, no adverse inference is drawn on this issue. The assessee- company also had stated before the assessing officer that there is no mismatch between ICDS adjustments reported in Form 3CD and ITR and also stated that they have reported Rs. 1,87,86,147/-, as the increase in profit in ICDS and in ITR, the assessee has disallowed depreciation of Rs. 21,03,18,355/-, as per companies Act, 2013 and claimed depreciation of Rs. 19,15,32,208/-, as per I.T. Act. Further, the company has increased its profit by Rs. 1,87,86,147/- (Rs. 21,03,18,355/- less Rs. 19,15,32,208/-) in income tax return (ITR). In support of this, the assessee has submitted before the assessing officer the copy of computation of income for assessment year (A.Y.) 2020-21. On these facts, no adverse inference was drawn by the assessing officer. The Company has made certain donations, which are deductible u/s 80G, which are claimed as deduction while filing return of income. The Copies of receipt for donations made have been



submitted by the assessee. The Company has also claimed deductions u/s 80JJAA of Act. The total no. of employees during the previous year was 2531 out of which eligible employees for the purpose of section 80JJAA was 627. The copy of excel sheet file for deductions claimed u/s 80JJAA of the Act and Form 10DA has been submitted by the assessee. Hence, no adverse inference was drawn on this issue, by the assessing officer. The reply and details uploaded by the assessee were carefully examined by the assessing officer. On the basis of material available on record, the explanation of the assessee on the issue(s) is accepted. Accordingly, the assessment is being completed u/s 143(3) of the Income Tax Act, 1961 by accepting the income processed by the CPC u/s 143(1) of the I.T. Act. **Considering the above remarks, the total income of the assessee is assessed as under.**

<i>Income Processed u/s 143(1) by CPC :</i>	<i>Rs. 60,75,10,430/-.</i>
<i>Total Assessed Income:</i>	<i>Rs. 60,75,10,430/-</i>

4. Aggrieved by the order of the assessing officer, the assessee carried the matter in appeal before the Ld. CIT(A), who has confirmed, the action of the assessing officer, observing as follows:

“6.1 I have gone through the facts of the entire case. In brief it can be stated that the return of income filed by the appellant was processed u/s 143(1) after making some adjustment to the returned income. Subsequently, the case was selected for scrutiny and the Assessment was completed vide order dated 19.09.2022, without making any addition. The assessed income was determined at Rs. 60,75,10,430/-, the income as per processing. The appellant is in appeal against this assessment order u/s 143(3) dated 19.09.2022, in which no addition or any other adverse action has been taken against the appellant. The grounds of appeal are directed against the processing. The only aspect related to this assessment is the claim that the A.O is not justified in adopting the amount of processing.

Since no adverse action has been taken against the appellant in the impugned assessment order, there is no ground of appeal. Since the processing order was existing at the time of this assessment, the A.O was fully justified in adopting the amount of income as per that processing. The cause of grievance arises from processing of the return of income at an income higher than the returned income. That grievance cannot be got addressed by filing appeal against different assessment order. Accordingly this appeal and grounds taken are not relevant and allowable and are liable to be dismissed.”



5. Aggrieved by the order of the Ld. CIT(A), the assessee is in further appeal before us.

6. Shri Prakash Jhunjhunwala, Learned Counsel for the assessee, begins by pointing out that assessee- company had claimed the deduction u/s.80JJAA of the Act in the return of income. The CPC (Central Processing Unit) u/s.143(1) of the Act vide order dated 31.03.2021), has disallowed the deduction u/s 80JJAA of the Act, to the tune of Rs.3,01,93,275/-. However, later on, the assessee's case, was selected for scrutiny under section 143 (3) of the Act and the said deduction u/s.80JJAA of the Act, was allowed by the assessing officer, vide order dated 19.09.2022, passed by the assessing officer under section 143(3) r.w.s.144B of the Act. In the said scrutiny assessment, under section 143 (3) of the Act, the assessing officer, by mistake, copy paste the income processed under section 143(1) by CPC(Central Processing Unit) u/s.143(1) of the Act vide order dated 31.03.2021), hence, it is a mistake apparent from record, which needs correction. Therefore, Ld. Counsel for the assessee submitted that the order passed by the CPC u/s.143(1) of the Act, dated 31.03.2021 has merged with the order passed by the assessing officer under section 143(3) of the Act dated 19.09.2022 and in the said scrutiny assessment proceedings, the assessing officer has allowed the deduction claimed by the assessee, under section 80JJAA of the Act to the tune of Rs.3,01,93,275/-, therefore, while making the order under section 143(3) of the Act dated 19.09.2022, assessing officer ought to have taken the correct assessed income of the assessee to the tune of Rs. 58,44,15,970/-, instead of wrong figure of Rs.60,75,10,430/-.



7. The Ld. Counsel for the assessee, further submitted that now the assessee is in appeal before this Tribunal, against the order passed by the assessing officer, in scrutiny assessment u/s 143(3) of the Act dated 19.09.2022, wherein the assessing officer has allowed the deduction u/s.80JJAA of the Act to the tune of Rs.3,01,93,275/-. However, the main grievance of the assessee is that while passing the assessment order u/s.143(3) r.w.s. 144B of the Act dated 19.09.2022, the assessing officer simply copy paste the income processed u/s.143(1) of the Act by the CPC to the tune of Rs.60,75,10,430/-. However, the assessing officer ought to have taken the correct figure of Rs.58,44,15,970/-. Therefore, this is the typographical error committed by the assessing officer while passing the assessment order u/s.143(3) of the Act and such typographical mistake may be corrected by this Tribunal. Since, later on, the order passed by the CPC under section 143(1) of the Act, has merged with scrutiny assessment order passed by the assessing officer under section 143(3) of the Act, dated 19.09.2022, therefore, Ld. Counsel for the assessee submitted that the correct figure which ought to be taken by the assessing officer while passing the assessment order u/s.143(3) of the Act is to the tune of Rs.58,44,15,970/-. Therefore, direction may be given to the assessing officer to correct the typographical error committed by the assessing officer while passing the order u/s.143(3) of the Act.

8. On the other hand, Ld. CIT-DR for the Revenue fairly agreed that there is no doubt that the order passed by the CPC u/s 143(1) of the Act dated 31.03.2021 has merged with the assessment order dated 19.09.2022 passed under section 143(3) of the Act. The assessee is in appeal before this Tribunal against the order passed by the assessing officer u/s.143(3) of the Act. Therefore, the Tribunal may direct the assessing officer to correct the error committed by the assessing officer while passing the order u/s.143(3) of the Act.



9. We have heard both the parties and carefully gone through the submission put forth on behalf of the assessee along with the documents furnished and the case laws relied upon, and perused the fact of the case including the findings of the Id CIT(A) and other materials brought on record. We find merit in the submissions of learned Counsel for the assessee to the effect that assessee-company had claimed the deduction u/s.80JJAA of the Act in the return of income. The CPC (Central Processing Unit) u/s.143(1) of the Act vide order dated 31.03.2021), has disallowed the deduction u/s 80JJAA of the Act, to the tune of Rs.3,01,93,275/-. However, later on, the assessee's case, was selected for scrutiny under section 143 (3) of the Act and the said deduction u/s.80JJAA of the Act, was allowed by the assessing officer, vide order dated 19.09.2022, passed by the assessing officer under section 143(3) r.w.s.144B of the Act. therefore, we find that earlier order passed by the CPC under section 143(1) of the Act dated 31.03.2021 got merged with order passed by the assessing officer under section 143(3) r.w.s.144B of the Act, dated 19.09.2022. Hence, the figure mentioned by the CPC, as a total income, under section 143(1) of the Act dated 31.03.2021, is not relevant, and the figure assessed by the assessing officer, for total income, under section 143(3) r.w.s.144B of the Act, dated 19.09.2022 should be considered, which would be different, as the assessing officer allowed the deduction under section 80JJAA of the Act. However, in the said scrutiny assessment, under section 143 (3) of the Act, the assessing officer, by mistake, copy paste the income processed under section 143(1) by CPC(Central Processing Unit) u/s.143(1) of the Act vide order dated 31.03.2021), hence, it is a mistake apparent from record, which needs correction, as order u/s.143(1) of the Act merged with order under section 143 (3) of the Act.

10. As we have noted above that later on, the assessee's case was selected for scrutiny and notice u/s.143(2) of the Act and the assessment order was framed



by the assessing officer u/s.143(3) r.w.s. 144B of the Act, wherein the assessing officer has allowed the deduction u/s.80JJAA of the Act to the tune of Rs.3,01,93,275/-. Therefore, the order passed by the CPC u/s.143(1) of the Act dated 31.03.2021 has merged with the order passed by the assessing officer u/s.143(3) of the Act dated 19.09.2022 and in the scrutiny assessment proceedings, and the assessing officer has allowed the deduction claimed by the assessee u/s.80JJAA of the Act to the tune of Rs.3,01,93,275/-. Now, the assessee is in appeal before this Tribunal against the order passed by the assessing officer in scrutiny assessment u/s.143(3) of the Act dated 19.09.2022, wherein the assessing officer has allowed the deduction u/s.80JJAA of the Act to the tune of Rs.93,01,93,275/-. However, while passing the assessment order u/s.143(3) r.w.s. 144B of the Act dated 19.09.2022, the assessing officer simply copy paste the income processed u/s.143(1) of the Act by the CPC to the tune of Rs.60,75,10,430/-, which is wrong. The assessing officer ought to have taken the correct figure of Rs.58,44,15,970/-. Therefore, this error committed by the assessing officer while passing the assessment order u/s.143(3) of the Act should be corrected. The main grievance of the assessee is that the correct figure which ought to be taken by the assessing officer while passing the assessment order u/s.143(3) of the Act is to the tune of Rs.58,44,15,970/-. We have examined the order passed by the CPC under section 143(1) of the Act, and order passed by the assessing officer in scrutiny assessment u/s.143(3) of the Act, and noted that correct figure of total income of the assessee, under consideration, is to the tune of Rs.58,44,15,970/-.

11. Therefore, the said error needs to be corrected as per the records provided by the assessee and we find that the income chargeable to tax at normal rate comes to Rs.58,44,15,970/-, therefore, the same should substituted against the figure wrongly copy pasted by the assessing officer at Rs.60,75,10,430/-, while



framing the assessment order u/s.143(3) r.w.s. 144B of the Act vide order dated 19.09.2022. Therefore, this correction is to be done by the assessing officer and for that we rely on the order passed by the Co-ordinate Bench of ITAT, Mumbai in the case of DCIT vs. Aditya Birla Housing Finance Limited in ITA No.4611/Mum/2024 & Ors., order dated 03.03.2025, wherein it was held as follows:

“15. On perusal of above it can be seen that the returned income of INR.218,41,70,860/- filed by the Assessee has been accepted as assessed income. At the same time the Assessing Officer has, while concluding, has stated that the assessment of income is done as per computation sheet. A perusal of the Computation Sheet shows that the adjustment made while processing return of income under Section 143(1) of the Act have been incorporated. Therefore, in the facts of the present case, it cannot be said that the grievance raised by the Assessee in appeal before the CIT(A) does not rise from the Assessment Order, dated 25/10/2022, passed under Section 143(3) read with Section 144B of the Act. Accordingly, we accept the contention of the Assessee that in the facts and circumstances of the present case the doctrine of merger would apply. Therefore, we reject the contention of the Revenue that the CIT(A) erred in entertaining and adjudicating the grounds raised by the Assessee in appeal before the CIT(A) challenging the adjustments made while issuing intimation under Section 143(1) of the Act. Accordingly, Ground No. 1 raised by the Revenue is dismissed.”

12. Therefore, we direct the assessing officer to consider the total income chargeable to tax to the tune of Rs.58,44,15,970/-. Hence, this appeal filed by the assessee is allowed for statistical purposes.

13. In the result, appeal filed by the assessee in ITA No.499/Rjt/2025 for A.Y. 2020-21 is allowed for statistical purposes, in above terms.

14. Now, we shall take assessee`s appeal in ITA No.498/Rjt/2025, for assessment year 2015-16. The grounds of appeal raised by the assessee in ITA No.498/Rjt/2025 are as follows:

(i) On facts and circumstances of the case and in law, Ld. CIT(A) erred in confirming the validity of notice u/s.148 issued in mechanical manner, in absence of fresh tangible material and on the basis of borrowed satisfaction and without having reason to believe of escapement of income;



(ii) On facts and circumstances of the case and in law, Ld. CIT(A) erred in confirming the addition u/s.68 of Rs.85,00,000/- of unsecured loans received from M/s. Mansarovar Financial Services Ltd and M/s. Suramya Tradelinks Pvt Ltd;

(iii) The Ld. CIT(A), before sustaining the addition u/s 68 of unsecured loans received of Rs.85,00,000/-, ought to have considered the understated vital facts, being;

- a) The exhaustive documentary evidences, being Ledger, Confirmation, PAN, Own bank statement, I.T return, bank statement and balance sheet of lenders and TDS certificate for interest payment to prove the identity, genuineness and credit-worthiness of the lenders has not been disproved by the Ld. assessing officer;*
- b) The entire loans had been received through banking channel by A/c payee cheques/RTGS and repaid in subsequent years;*
- c) The appellant had made the payment of interest after deducting the TDS u/s 194A of the Act;*
- d) The Ld. assessing officer did not conduct any sort of enquiry/investigation and had not issued any notices u/s.133(6)/131 to the lenders and their bankers to verify the transactions;*
- e) The Ld. assessing officer had not provided the copies of contrary material/evidence and statements of 3rd parties for rebuttal and also did not allow an opportunity of cross examination.”*

15. Additional Ground involving legal issue raised for by the assessee first time, is as follows:

1 On facts and circumstances of the case and in law, the re-assessment order passed u/s 147 dated 29/03/2022 by the National Faceless Assessment Centre (NFAC) is grossly bad in law, since the jurisdiction of the NFAC prescribed u/s.151A had been notified w.e.f. 29/03/2022 and accordingly, the assumption of jurisdiction made by NFAC since 21/12/2021 is invalid.

16. Learned Counsel for the assessee submitted that the assessee can raise the legal ground at any stage, therefore, the above legal ground raised by the assessee first time may be admitted by the Tribunal for the interest of justice.

17. On the other hand, Ld. DR for the Revenue did not raise objection, if the above legal ground is admitted.



18. We have heard both the parties. We note that it is purely a legal issue raised by the assessee, first time and all facts are already on record which goes to the root of the matter and no further inquiry is required for deciding the same as all facts are already on record. Therefore, in the light of ratio laid down by the Hon'ble Supreme Court in the case of *National Thermal Power Company Ltd., vs. CIT* (1998) 229 ITR 382 (SC), we admit the additional ground raised by the assessee and we proceed to adjudicate first, as follows.

19. Learned Counsel for the assessee argued on the legal issue raised by the assessee, first time stating that the re-assessment order passed u/s 147 dated 29/03/2022 by the National Faceless Assessment Centre (NFAC) is grossly bad in law, since the jurisdiction of the NFAC prescribed u/s.151A had been notified with effect from (w.e.f.) 29/03/2022 and accordingly, the assumption of jurisdiction made by NFAC since 21/12/2021 is invalid, and therefore order passed by the assessing officer under section 147 of the Act, dated 29/03/2022, should be quashed, on this score only.

20. On the other hand, Ld. DR for the Revenue argued that once the assessing officer has assumed jurisdiction u/s.124(C) of the Act, then he may frame the assessment order in accordance with law. The Ld. DR for the Revenue submitted that the assessee has not submitted the copy of the notification downloaded from the Government website. Therefore, assessee should be directed to furnish the copy of the notification dated 29.03.2022.

21. In rejoinder, Ld. Counsel for the assessee submitted that the notification dated 29.03.2022 vide Notification No.18/2002 dated 29.03.2022 has been downloaded from the site of the department of Ministry of Finance which can be verified by the Bench on the online portal. In Rejoinder, Ld. Counsel also submitted that the Notification No.18/2022, dated 29th March 2022 has been



available to everybody, which is already available in the decision/precedent cited before the Bench, and it is available on the government website, which is reproduced below:

MINISTRY OF FINANCE
(Department of Revenue)
(CENTRAL BOARD OF DIRECT TAXES)
NOTIFICATION

New Delhi, the 29th March, 2022

5.O. 1466(1). In exercise of the powers conferred by sub-sections (1) and (2) of section 151A of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby makes the following Scheme, namely

1. Short title and commencement (1) This Scheme may be called the e-Assessment of Income Escaping Assessment Scheme, 2022.

(2) It shall come into force with effect from the date of its publication in the Official Gazette.

2. Definitions (1) In this Scheme, unless the context otherwise requires,

(a) "Act" means the Income-tax Act, 1961 (43 of 1961),

(b) "automated allocation" means an algorithm for randomised allocation of cases, by using suitable technological tools, including artificial intelligence and machine learning, with a view to optimise the use of resources.

(2) Words and expressions used herein and not defined, but defined in the Act, shall have the meaning respectively assigned to them in the Act.

3. Scope of the Scheme. For the purpose of this Scheme,-

(a) assessment, reassessment or recomputation under section 147 of the Act,

(b) issuance of notice under section 148 of the Act,

shall be through automated allocation, in accordance with risk management strategy formulated by the Board as referred to in section 148 of the Act for issuance of notice, and in a faceless manner, to the extent provided in section 144B of the Act with reference to making assessment or reassessment of total income or loss of assessee.

[Notification No. 18/2022/F. No. 370142/16/2022-TPL(Part I)]
SHEFALI SINGH, Under Secy.

22. We have heard the rival contentions, perused the material on record and duly considered facts of the case in the light of the applicable legal position. Learned Counsel for the assessee argued on the additional legal ground stating that re-assessment proceedings initiated by the assessing officer is grossly bad in law, since the jurisdiction of the NFAC prescribed it u/s.151A of the Act



notified the date from 29.03.2022 and accordingly assumption of jurisdiction made by the NFAC since 21st December, 2021 is invalid, therefore order passed by the assessing officer on this legal ground should be quashed, for that, we rely on the judgment of the Co-ordinate Bench of ITAT, Kolkata in the case of Nabiul Industrial Metal Pvt. Ltd. vs. ITO in ITA No.1328/Kol/2024, order dated 15.10.2024, wherein it was held as follows:

"1.2. The ld. Counsel for the assessee challenges the impugned order by taking several grounds but he, in course of hearing, took an additional ground being the legal ground and he pressed only legal ground which are as follows:

"That the National Faceless Assessment Centre erred in having assumed jurisdiction u/s 151A r.w.s 144B of the Act from 29.11.2021 when they were not empowered under any notification about the applicability of the faceless scheme for making assessment in faceless manner 'prior to 29.03.2022.

1.3. Ld. Counsel for the assessee submitted that the provisions of Section 151A of the Act came in the statute on 01.11.2021 but it was notified with effect from 29.03.2022. But in the present case, assessment proceedings to the NFAC started on 29.11.2021 which is evident from the notice u/s 142(1) of the Act. Ld. Counsel for the assessee further submits that the show cause notice has also been issued and the date has been mentioned as 28.03.2022 that is prior to 29.03.2022. Ld. Counsel for the assessee further submits that the assumption of jurisdiction by the NFAC was without jurisdiction. Consequently, the whole assessment is without jurisdiction and unsustainable in law. Ld. Counsel for the assessee further drew the attention of this Bench on the issuance of show cause notice and submitted that it was served on 29.03.2022 and asked the assessee to furnish explanation on or before 29.03.2022, it means without giving the assessee any opportunity before framing of the assessment order. Ld. Counsel for the assessee has filed the following papers:

- a) Notification of Ministry of Finance dated 29.03.2022.*
- b) Notice issued u/s 142(1) of the Act.*
- c) Show cause notice dated 28.03.2022.*

1.4. Ld. D/R though supports the impugned order but did not raise any objection on the legal ground.

2. We have perused the records and the papers filed by the assessee. It appears that Notification with respect to Section 151A of the Act has been made with effect from 29.03.2022 which is as under:

"S.O. 1466(E). In exercise of the powers conferred by sub-sections (1) and (2) of section 151A of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby makes the following Scheme, namely:-



1. Short title and commencement-(1) This Scheme may be called the e-Assessment of Income Escaping Assessment Scheme, 2022.

(2) It shall come into force with effect from the date of its publication in the Official Gazette.

2. Definitions (1) In this Scheme, unless the context otherwise requires,

(a) "Act" means the Income-tax Act, 1961 (43 of 1961);

(b) "automated allocation" means an algorithm for randomised allocation of cases, by using suitable technological tools, including artificial intelligence and machine learning, with a view to optimise the use of resources.

(2) Words and expressions used herein and not defined, but defined in the Act, shall have the meaning respectively assigned to them in the Act.

3. Scope of the Scheme. For the purpose of this Scheme,-

(a) assessment, reassessment or re-computation under section 147 of the Act,

(b) issuance of notice under section 148 of the Act,

shall be through automated allocation, in accordance with risk management strategy formulated by the Board as referred to in section 148 of the Act for issuance of notice, and in a faceless manner, to the extent provided in section 144B of the Act with reference to making assessment or reassessment of total income or loss of assessee."

2.1. We have also gone through the notice u/s 142(1) of the Act dated 29.11.2021 which is as follows:

GOVERNMENT OF INDIA MINISTRY OF FINANCE INCOME TAX DEPARTMENT National Faceless Assessment Centre Delhi			
To, NABUL INDUSTRIAL METAL PRIVATE LIMITED VILL AND POST DHADIMBA, DIST PASCHIM MEDINIPUR MIDNAPORE 721301, West Bengal India			
PAN: AAECN3170B	Assessment Year: 2017-18	Date: 29/11/2021	DIN: ITBA/AST/F/142(1)/2021- 22/1037352058(1)
Notice under sub-section (1) of Section 142 of the Income Tax Act, 1961			
Dear Taxpayer,			
Kindly refer to ongoing assessment proceedings in your case for A.Y. 2017-18 under Faceless Assessment Scheme, 2019.			
2. We appreciate the anxiety and uncertainty that is facing all of us in the times of Covid-19. This communication is to assist you in ending one uncertainty, which is pending e-Assessment in your case for the Assessment Year 2017-18.			
3. You are requested and required to kindly furnish of cause to be furnished on or before 06/12/2021 by 03:14 PM, the accounts and documents specified in the Annexure to this notice.			
4. The accounts or documents, as mentioned above, are required to be submitted online electronically in 'E-proceedings' facility through your account in e-Filing website (www.incometaxindiaefiling.gov.in)			
Yours faithfully, Additional / Joint / Deputy / Assistant Commissioner of Income Tax, National Faceless Assessment Centre, Delhi			



2.2. We further find the show cause notice issued that also reflects the date 28.03.2022 which is as follows:

I.T.A. No.: 1328/KOL/2024
Assessment Year: 2017-18
Nabul Industrial Metal Pvt. Ltd

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT
National Faceless Assessment Centre
Delhi

TO:
NABUL INDUSTRIAL METAL PRIVATE LIMITED
VILL AND POST DHADIMBA, DIST PASCHIM MIDNAPORE 721301, West Bengal
INDIA

FAN: AAECN31708 Assessment Year: 2017-18 Date: 28/03/2022 DIN: ITN/AST/1144(SCN)/2021-22/1041802917(1)

Show cause Notice as to why the proposed variation should not be made

Mr/Ms/Mrs,

1. We appreciate the anxiety and uncertainty that is facing all of us in the times of Covid-19. This communication is to assist you, in ending one uncertainty, which is pending e-Assessment in your case for the Assessment Year 2017-18.

2. The variations as per the draft assessment order may be seen which are proposed to be made in your case:-

This order is passed under section 144 rws 147 rws 144B

The assessee had not filed its return of income for the A.Y.2017-18. Subsequently, the case of the assessee was reopened u/s.147 of the IT Act after recording the following reason for reopening the case:

Reasons for re-opening of the assessment in case of Nabul Industrial Metal Pvt Ltd for assessment year 2017-18 u/s.147 of the I. T. Act, 1961.

1. Brief details of the assessee :-
As per e-filing records, the assessee company has not filed its return of income for the relevant assessment year.

2. Brief details of information collected/received by the AO :-
Information has been received from The DDIT (Inv), Unit-4(G), Kolkata, stating that during the course of investigation in the case of Mrs. Darsh, Coke Trading Pvt. Ltd.(PAN

Note: The website address of the e-filing portal has been changed from www.incometaxindiaefiling.gov.in to www.incometax.gov.in

Add:	Addition u/s 68 of the Act (As disclosed in para 7)	Rs.15,00,000/-
Add:	Income (Estimated as per para 6 to 6.3)	Rs.3,95,816/-
	Assessed Income	Rs.18,95,816

3. Considering the principle of natural justice, you are hereby accorded one more final opportunity to divergent yourself with documentary evidences to substantiate the sources of income received during the year under consideration. Therefore, you are hereby show caused as to why the amount of Rs.15,00,000/- should not be considered as unexplained cash credits and Rs.3,95,816/- the income from business added to the total income for the year under consideration.

4. You are given an opportunity to represent your case by furnishing your explanation(s), if any, on or before 28.03.2022 fallip which the assessment would be completed as mentioned above.

You are hereby given an opportunity to show cause why proposed variation should not be made and the assessment should not be completed accordingly.

5. Kindly submit your response through your registered e-filing account at www.incometax.gov.in by 23:59 hours of 28/03/2022, whereby you may either:-

- accept the proposed variation, or
- file your written reply objecting to the proposed variation; or
- file your written reply objecting to the proposed variation, you may request for personal hearing so as to make oral submissions or present your case. The request can only be made by clicking the Speak Video Conferencing button available against the DCN. In the view notices of the proceedings in the e-proceedings tab on e-filing portal. The request can be made only before expiry of compliance date & time. On approval of request, personal hearing shall be conducted exclusively through video conference.

6. In case no response is received by the given time and date, the assessment shall be finalized as per the draft assessment order.

Yours faithfully,
Assistant / Joint / Deputy / Assistant Commissioner of Income Tax
Income Tax Officer,

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I.T.A. No.: 1328/KOL/2024
Assessment Year: 2017-18
Nabul Industrial Metal Pvt. Ltd

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National Faceless Assessment Centre,
Delhi

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Digitally signed by Nabul Industrial Metal Pvt. Ltd
DN: cn=Nabul Industrial Metal Pvt. Ltd, o=Nabul Industrial Metal Pvt. Ltd, email=Nabul Industrial Metal Pvt. Ltd, c=IN



2.3. *It appears from the show cause notice issued on 28.03.2022 that at the bottom of the page it was digitally signed thereby giving date 29.03.2022 at 00:20:37 IST*

2.4. *We further find that in the show cause notice the assessee has been directed to furnish explanation on or before 29.03.2022. It is surprising that when it was issued on 29.03.2022 at 00:20:37 IST and directed the assessee to explain the explanation before 29.03.2022.*


3. *Keeping in view the entire facts and discussions made above, we find substance in the argument of the ld. CIT(A) that assumption of jurisdiction prior to 29.03.2022 by the Id. assessing officer is to be held to be without jurisdiction. Accordingly, the assessment order, passed, is to be deemed without jurisdiction. Subsequently, all the orders passed are hereby held to be without jurisdiction.*


4. *In the result, the appeal filed by the assessee is allowed.”*

23. We also note that the issue under consideration is also covered in favour of assessee by the judgment of the Co-ordinate Bench of ITAT, Kolkata in the case of Md. Mahimud SK vs. ITO in ITA Nos. 2230 & 2229/Kol/2024, order dated 04.03.2025, wherein it was held as follows:

“011. We have perused the section of Section 151A of the Act, which deals with the faceless assessment of Income escaping assessment and was brought on the statute book by taxation and other law (realization and amendment of certain provisions) Act, 2020, with effect from 01.11.2020 which was notified on 29.03.2022) vide notification no.18/2022/F. No. 370142/16/2022-TPL(Part)]. Therefore, the assessment proceedings were taken by the National Faceless Assessment Centre, Delhi by issuing notice u/s 142(1) dated 09.02.2022 and thereafter the assessment was framed accordingly after issuing show cause notice which in our opinion is without jurisdiction. The provision of Section 151A of the Act were brought on the statute book with effect from 01.11.2020. However, the same were made effective and applicable with effect from 29.03.2022 vide notification no. when the CBDT notified the new scheme for assessment of income escaping assessment scheme, 2022. In our considered view the assessment framed is without jurisdiction and cannot be sustained. The case of the assessee find force from the decision of Nabiul Industrial Metal Pvt. Ltd., Paschim Medinipur VS. I.T.O., in ITA no. 1328/KOL/2024 for A.Y. 2017-18, the order dated 15.10.2024, wherein a similar issue has been decided in favor of the assessee. For the sake of ready reference, the notice issued u/s 142(1) dated 09.02.2022 and show cause notice dated 17.03.2022, are extracted below:-



**GOVERNMENT OF INDIA**
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT
National Faceless Assessment Centre
Delhi



To, MD MAHIMUD SK S/O ABDUL RAJAK VILL-KISMAT NARAYANPUR,PO- SRIRAMPUR SD-ENGLISHBAZAR MALDA 732216,West Bengal	
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PAN: BQYPS8209L	Assessment Year: 2015-16	Date: ✓ 09/02/2022	DIN: ITBA/AST/F/142(1)/2021- 22/10395731B1(1)
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Notice under sub-section (1) of Section 142 of the Income Tax Act, 1961

Dear Taxpayer,

Kindly refer to ongoing assessment proceedings in your case for A.Y. 2015-16 under Faceless Assessment Scheme, 2019.

2. We appreciate the anxiety and uncertainty that is facing all of us in the times of Covid-19. This communication is to assist you in ending one uncertainty, which is pending e-Assessment in your case for the Assessment Year 2015-16.

3. You are requested and required to kindly furnish or cause to be furnished on or before 12/02/2022 by 04:47 PM, the accounts and documents specified in the Annexure to this notice.

4. The accounts or documents, as mentioned above, are required to be submitted online electronically in 'E-proceedings' facility through your account in e-Filing website (www.incometaxindiaefiling.gov.in)

Yours faithfully,
Additional / Joint / Deputy / Assistant Commissioner of Income Tax,
National Faceless Assessment Centre,
Delhi



GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT
National Faceless Assessment Centre
Delhi



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To, MD MAHIMUD SK S/O ABDUL RAJJAK VILL-KISMAT NARAYANPUR ,PO-SRIRAMPUR SD- ENGLISHBAZAR MALDA 732216 ,West Bengal India	
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PAN: BQYPS8209L	Assessment Year: 2015-16	Date: 17/03/2022	DIN: ITBA/AST/F/147(SCN)/2021- 22/1040949460(1)
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Show cause Notice as to why the proposed variation should not be made

Ms/ Mri M/s,

1. We appreciate the anxiety and uncertainty that is facing all of us in the times of Covid-19. This communication is to assist you in ending one uncertainty, which is pending e-Assessment in your case for the Assessment Year 2015-16.

2. The variations as per the draft assessment order may be seen, which are proposed to be made in your case:-

Credible information had been received for the FY 2014-15 relevant to AY 2015-16, that the assessee had aggregated credit turnover is Rs. 16.99 lacs and debit turnover is 16.99 lacs during the period 01.04.2014 to 31.03.2015 in the bank accounted maintained in Bank of Baroda bearing a/c no. 39920100006975. Prima facie there was reason to believe that the assessee had total credit/deposit in bank account during the FY 2014-15 relevant to AY 2015-16 is Rs. 38,65,557/-, which has escaped assessment within the meaning of section 147 of the Act. Assessment proceedings u/s 147 were initiated after recording reasons and seeking prior approval of Pr. Commissioner of Income-tax. Accordingly, statutory notice U/s 148 of the Act was issued & sent to the assessee by DIN & Document No. ITBA/AST/S/148/2020-21/1032066973(1) dated 31.03.2021 through E-mail requiring the assessee to file his Income Tax Return for the A.Y 2015-16 within 30 days of service of the said notice. In compliance of notice u/s 148, the assessee filed her return of income vide acknowledgement No. 345878730280421 dated 28.04.2021 declaring an income of Rs. 2,25,800/-. During the year under consideration the assessee earned income under the Head Income from Business and Income from other Sources. Statutory notices u/s 143(2), 142(1) alongwith questionnaire were issued to assessee.

2. During the course of assessment proceedings it has been noticed that assessee had deposited cash in Bank of Baroda bearing a/c no. 39920100006975 and in State Bank of India bearing A/c No. 31561107456. In response to notice u/s 143(2) dated 29.06.2021, assessee submitted his reply dated 11.08.2021 stating that he has filed his return of Income for the AY 2015-16 showing a turnover of Rs. 25,46,080/- and Net Profit u/s 44AD of Rs. 2,25,780/- besides this assessee receives S/B interest of Rs. 3,280/- during the A.Y. 2015-16. He is doing mainly labour Contract business on the different part



of the country and sometimes in local basis. He receives cash from different contractee and paid to the daily workers on cash basis. Whenever, he does not receive any contract he deposited the cash in the bank accounts and later on he again withdraws cash from Bank and pay the daily workers if he receive any contract work. Notice u/s 142(1) dated 29.12.2021 was issued to the assessee to furnish detailed computation of income, brief note indicating the nature of business/professional activities carried out by him and explain the source of cash deposit in the above said accounts. In response to notice u/s 142(1) dated 29.12.2021, assessee did not submit his reply. After that, again a notice u/s 142(1) dated 09.02.2022 was issued to furnish detailed computation of income, copy of cash flow statement, details of contract made with documentary evidence and details of payment to the labour with documentary evidence. But, assessee again did not submit his reply.

3. A final show cause notice u/s 144 of the I.T Act, 1961 was issued to the assessee on 23.02.2022 for the sake of natural justice and providing one more and last opportunity to explain requesting him to furnish the requisite details on or before 25.02.2022. The assessee again failed to furnish any reply.

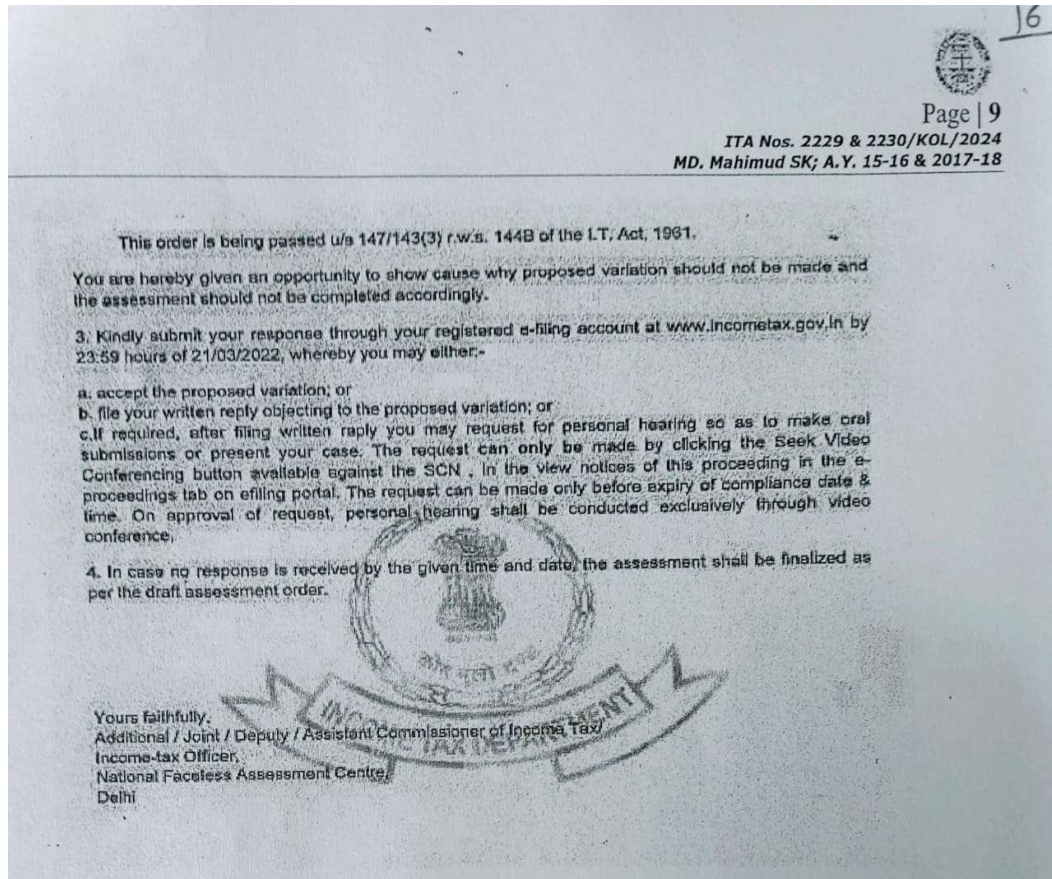
4. It is a part of record that during the course of assessment proceedings sufficient opportunity and reasonable time was granted to the assessee but he did not bother to comply with the notices and to provide the vital information /documents so as to enable the assessing officer to complete the assessment. Needless to mention here that when a statutory notice has been issued, it is the duty of the assessee to respond and to furnish the required information. Further, while scrutinizing the case it would be of great importance to have an idea about assessee's intention behind the non co-operation. The immediate idea that can be formed is that the assessee might have taken it beneficial to evade the proceedings rather than to co-operate in furnishing the information to avoid further investigation in the matter. Therefore, in the absence of relevant reply from the assessee, the matter is being decided as per the record available.

5. After pursuing the reply of the assessee and the return of the income filed u/s 148 that the assessee is deriving income from the business and income from other sources. After considering the reply of the assessee, the reply is not found tenable because the assessee has not produced proper books of account coupled with non-production of documentary evidence of contract business. Hence, cash deposited in Bank of Baroda bearing a/c no. 39920100006975 amounting to Rs. 16,96,682/- and in State Bank of India bearing A/c No. 31561107456 amounting to Rs. 4,09,500/- totaling to Rs. 21,06,182/- is treated as unexplained credit entries in book of the assessee and accordingly, addition of Rs. 21,06,182/- is proposed to be added back to the income of the assessee u/s 69A r.w.s. 115BBE of the Income Tax Act, 1961 Penalty proceedings u/s 271(1)(c) of the Income tax act, 1961 for inaccurate particulars of the income are initiated separately.

Returned Income	Rs. 2,25,800/-
Add:- as per para 5	Rs. 21,06,182/-
Assessed Income	Rs. 23,31,982/-

Issue Penalty notice u/s 271(1)(c) and 271(1)(b) of the Income Tax Act, 1961.

Assessed issue requisite documents to the assessee.



012. Considering the above facts and legal position, we are of the considered opinion that the order passed by the NFAC, Delhi is without Jurisdiction and is hereby quashed. The appeal of the assessee is allowed.”

24. Therefore, respectfully following the binding judgments of the Co-ordinate Bench (supra) on identical and similar issue, we allow the appeal of the assessee.


25. Now, we shall adjudicate the second issue on technical ground raised by the assessee u/s.148/147 of the Act, wherein the assessee has challenged that the approval u/s.151 of the Act has not been signed digitally by the appropriate authority. Therefore, the order passed by the assessing officer may be quashed.

26. On the other hand, learned DR for the Revenue fairly agreed that approval u/s.151 of the Act has not been signed digitally by the appropriate authority.



27. We have heard the rival parties and have gone through the material placed on record. For the sake of clarity and also being pertinent, we reproduce the approval, under section 151 of the Act, as follows:

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT
OFFICE OF THE PRINCIPAL COMMISSIONER OF INCOME TAX
PCIT, Rajkot-1

Approval u/s 151 of the IT Act, 1961

PAN: AADCG6113A	AY: 2015-16	Dated: 31/03/2021	DIN & Document No : ITBA/AST/S/118/2020-21/1032060224(1)
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Name and Address of Assessee:
GOPAL SNACKS PRIVATE LIMITED

Approving Authority	PCIT/CIT
Category	Assessment
Income Escaped Amount >= 1 Lakh	Yes
Income Escaping Assessment (Rs.)	85,00,000

Proposal Details:

Name of Officer	HARISH CHANDER MITTAL
Designation	DCIT/ACIT-CJR 1(1), RKT
Date of Proposal	30/03/2021
Reason(s) to Believe:	As per Annexure

Recommendation Details:

Name	GURPREET SINGH
Designation	ADDL/JCIT RANGE 1(1), RAJKOT
Recommended (Yes/No)	Yes
Recommendation Date	31/03/2021
Recommendation Remarks	In this case, the AO has Submitted proposal to issue notice u/s. 148 of the IT Act. The same is forwarded to your honor for kind perusal and approval

Approval Details:

Name	NIRAJ KUMAR
Designation	PCIT, Rajkot-1
Approval Status	Approved
Date of Approval	31/03/2021
Remarks of approving authority	On the basis of information in possession of the AO, further verification done by the AO, it has been, prima facie, found that there is a case of escapement of tax and I am satisfied that it is a fit case for issue of notice u/s 148 of the IT Act.

NIRAJ KUMAR
PCIT, Rajkot-1

Note: If digitally signed, the date of digital signature may be taken as date of document.
AAYAKAR BHAWAN, RACE COURSE RING ROAD, RAJKOT, Gujarat, 360001
Email: RAJKOT.CIT1@INCOMETAX.GOV.IN.

* DIN- Document identification No.

Jt



Recorded Reasons up 148.

AADCG6113A: GOPAL SNACKS PRIVATE LIMITED
A.Y. 2015-16
ITBA/AST/S/118/2020-21/1032060224(1)

3

Reason **ANNEXURE** of assessment

Name of the assessee: **GOPAL SNACKS PRIVATE LIMITED**
PAN : **AADCG6113A**
AY : **2015-16**

1. **Brief details of assessee**

The above named assessee is having PAN and has filed return of income on 29/09/2015 declaring total income of Rs. 86393270/-. As per information available on records the assessee has carried out significant financial transactions.

2. **Brief details of information collected / received by the AO**

In this case as per the information received in category of High Risk Transaction CRIU/VRU Information on Insight Portal of the department. On perusal of records, it is noticed that the assessee has entered into significant financial transactions as mentioned hereunder in Para 5.

3. **Analysis of information collected / received**

On perusal and analysis of information available on record, it is noticed that the assessee has entered into financial transactions exceeding the taxable limits. The assessee has undertaken transactions as per the details given in the following chart; however despite making these financial transactions the assessee has not truly and correctly disclosed the quantum of transactions done during the year under consideration.

4. **Enquiries made by the AO as sequel to information collected / received**

Necessary verification was made from the entire details available on records and database of ITBA and Insight portal thereby, I have sufficient form of 'Reason to believe' to frame my opinion. The information available with this office has been analyzed and I have framed my opinion after due application of all the facts and mind.

5. **Finding of the AO**

During the year under consideration, assessee had undertaken following financial transactions:

Sr. No.	Type of transactions	Amount
1	Fictitious loan has been claimed by the assessee	8500000
	Total income escaping assessment	Rs. 8500000/-

Thus, on perusal of the details available on record, it is noticed that during the previous year relevant to the assessment year under consideration, the assessee has undertaken financial transactions much beyond the taxable limit. However, the source of entering such huge transactions is not conclusively proved from the details and data collected during the course of inquiry. I have verified all the details available on record and I am conclusively satisfied that the assessee has not disclosed truly and correctly all the relevant particulars of the above transactions and therefore the income to the above extent has escaped assessment.



AADCG6113A- GOPAL SNACKS PRIVATE LIMITED - 4
A.Y. 2015-16
ITBA/AST/S/118/2020-21/1032060224(1)

6. Basis of forming reason to believe and details of escapement of income

In light of the details available on records and the above facts and findings, I have reason to believe that income chargeable to tax quantified as above has escaped the assessment.

7. Applicability of provisions of section 147/151 to the facts of the case

Considering all the details and materials available on records, I am satisfied that the assessee has understated the income in its return of income filed as per above details and therefore the income chargeable to tax to the tune of Rs. 8500000/- has escaped the assessment. I have reasons to believe that this is a fit case for reopening and there is escapement of income within the meaning of **Explanation 2(b) to Section 147** of the Income Tax Act, 1961.



(In case the document is digitally signed please refer Digital Signature at the bottom of the page)



28. We have gone through the above approval under section 151 of the Act and noticed that it is neither digitally signed nor manually signed, hence the approval given by the Income Tax Authority is defective and consequently, the reassessment order passed by the assessing officer is bad in law and should be quashed. However, Ld. DR for the Revenue again submitted that in order to verify whether, on approval u/s.151 of the Act, there is digital signature or not, the Bench may inspect the assessment records. The Ld. DR also submitted alternatively the assessee may be asked to file the affidavit stating that the documents relating to approval /s.151 of the Act, has been correctly filed in the paper book. Accordingly, the assessee filed the copy of the approval under section 151 of the Act along with affidavit.

29. We have examined the above approval u/s.151 of the Act and noted that it is not digitally signed. Therefore, we find that this second legal issue has also been covered in favour of the assessee, by the order of the Co-ordinate Bench of ITAT, Rajkot in ITA No.131/Rjt/2025, order dated 5th August, 2025, wherein Tribunal held as follows:

“8. We have heard both the parties and carefully gone through the submission put forth on behalf of the assessee along with the documents furnished and the case laws relied upon, and perused the fact of the case including the findings of the ld DRP and other materials brought on record. First, technical and legal issue raised by the assessee is that approval given by the higher authorities u/s 151 of the Act, is not signed by the concerned higher authority, and such approval was given without application of mind in a mechanical way, therefore, assessment order framed by the assessing officer, should be treated invalid in the eye of law. In order to adjudicate this technical issue, let us, first examine the document of the revenue authorities (Income Tax Department) for approval under section 151 of the Income Tax Act 1961, which is placed in Paper Book at Page No. 57 of the assessee’s paper book. The said approval given by the higher authorities u/s. 151 of the Income Tax Act, 1961, is reproduced below, for our analysis:



GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT
OFFICE OF THE PRINCIPAL
COMMISSIONER OF INCOME TAX
PCIT, Ahmedabad-1

Approval u/s 151 of the IT Act, 1961

PAN: AFAPH0463B	Assessment Year: 2019-20	Date: 22/03/2023	DIN: ITBA/AST/S/118/2022-23/1051095194(1)
1	Name of the assessee	DHANJI MURJI HIRANI	
2	Address and e-mail of the assessee	BALADIA BHUJ, KUTCH /	
3	PAN	AFAPH0463B	
4	Status	Individual	
5	Circle/ Ward/ Range/ CIT Charge	WARD - 1(2), BHAVNAGAR / RANGE 1,	
6	Assessment year	2019-20	
7	The quantum of income which has escaped assessment	29437004	
8	Approval needed for	Order u/s 148A(d) required for issuance of notice u/s 148	
9	Time limit for current proceedings covered under	u/s 149(1)(a) - for 3 years	
10	Limitation date for issuance of notice u/s 148	31/03/2026	
11	Whether the show cause notice u/s 148A(b) contains the details of the information, as per explanation-1 of Section 148	Yes	
12	(i) Enquiry conducted (if any), u/s 148A(a)	Yes / 16-FEB-23	
	(ii) Whether the show cause notice u/s 148A (b) contains the details of results of enquiry conducted 148A (a)	Yes	
13	Date of issue of show cause notice to assessee u/s 148A(d)	04-MAR-23	
14	Date by which assessee was required to submit reply to show cause notice u/s 148A(b) or the final extended date	11-MAR-23	
15	Whether any reply received from assessee u/s 148A(b)?	No	
16	Whether personal hearing requested by assessee	No	
17	Whether the provision of Sec. 150(1) are applicable.	No	
18	Reasons for the belief that income has escaped assessment.	Refer Order u/s 148A(d) for details	
19	Recommendations of the Additional/ Joint CIT	Remarks: Ongoing through the draft order u/s 148A(d), I am satisfied with draft submitted by Assessing Officer & this is fit case for issuance of notice u/s. 148 of the I T Act, 1961. The draft order may kindly be approved.	

To be taken as date of document. Ahmedabad, Gujarat, 380015

20.	Recommendations of the CIT/PCIT (where CCIT/PCCIT is the specified authority)	Name: PARMAR ALPESHKUMAR TRIKAMLAL Designation: RANGE 1, BHAVNAGAR Date: 18/03/2023 Remarks: N/A
21.	Recommendations of the CCIT (where PCCIT is the specified authority)	Name: N/A Designation: N/A Date: N/A Remarks: N/A
22.	Reasons for according approval/ rejection by the specified authority to order u/s 148A(d) AND/OR issuance of notice under section 148 of the Income Tax Act, 1961?	Remarks: Looking to the information received and the opportunity given, the said draft orders u/s 148A(d) of the IT Act are found in order. I am satisfied that this is fit case to issue notice u/s 148 of the IT Act. Therefore, undersigned being the competent authority as per section 151 of the IT Act, accord approval as per the provisions of section 148 of the IT Act. Name: SANDEEP JAIN Designation: PCIT, Ahmedabad-1 Date: 22/03/2023

9. From the above approval document, under section 151 of the Income Tax Act 1961, it is vivid that there is no signature of the concerned authority, therefore, in the absence of signature by the concerned Authority, the above approval document, cannot be enforced in the eye of law. In order to create a legal document, the first and primary condition is that it should be signed by the concerned authority. We note that section 151 of the Act, mandates prior approval of the "specified authority" before issuing a notice under Section 148 for income escaping assessment. If the document granting approval lacks a manual or digital signature, it calls into question the authority's satisfaction. Physical signature is the traditional evidence of approval. In ITBA (Income Tax Business Application), digital approvals (like authenticated login-based approvals) may suffice legally if appropriately recorded. In the above approval note we find that there is neither physical signature nor digital signature of any Income tax authority. However, where no authentication or evidence of the approving authority's satisfaction is found (either digitally or physically), the approval may be deemed invalid. Absence of evidence showing application of mind or digital signature led to reassessment quashing, and consequently, the reassessment order framed by the assessing officer, based on the above approval should be quashed.

30. The above technical issue has also covered by another judgment of the Co-ordinate Bench of Rajkot in ITA Nos. 185 & 186/Rjt/2024, dated 3rd September, 2025, wherein it was held as follows:



“8. We have heard both the parties, perused the material available on record. We note that the approval of the PCIT is without any signature of the Ld.PCIT and without generating any DIN number which is reproduced below:

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT
OFFICE OF THE PRINCIPAL COMMISSIONER OF INCOME TAX
PCIT 3, RAJKOT**

Approval u/s 151 of the IT Act, 1961

PAN: AAJFA4558N	AY: 2013-14	Dated: 20/03/2020	DIN & Document No : ITBA/AST/S/118/2019-20/1026810985(1)
Name and Address of Assessee: ADITYA PLASTIC			
Approving Authority Category		PCIT/CIT	
Income Escaped Amount >= 1 Lakh		Assessment	
Income Escaping Assessment (Rs.)		Yes	
Proposed Details		22,35,842	
Name of Officer			
Designation			
Date of Proposal			
Reason(s) to Believe:			
As per Annexure			
Recommendation Details			
Name			
Designation			
Recommended (Yes/No)			
Recommendation Date			
Recommendation Remarks			
On examination of the reasons recorded u/s 147, the case is fit for issue of notice u/s 148			
Approval Details			
Name			
Designation			
Approval Status			
Date of Approval			
Remarks of approving authority			
On the basis of information in possession of the AO, further verification done by the AO, it has been, prima facie, found that there is a case of escapement of tax and I am satisfied that it is a fit case for issue of notice u/s 148 of the IT Act.			

NIRAJ KUMAR
PCIT 3, RAJKOT

Note: If digitally signed, the date of digital signature may be taken as date of document.
AAJYAKAR BHAWAN, RACE COURSE KING ROAD, RAJKOT, GUJARAT, 360001
Email: RAJKOT.CIT3@INCOMETAX.GOV.IN

* DIN- Document Identification No.

8.1. Therefore, the Ld. Counsel for the assessee has stated that the approval u/s.151 of the Act dated 30/03/2020 is not signed by the Ld. PCIT and, hence, it is not considered as a valid approval/satisfaction and, thus, the notice u/s.148 of the Act issued on the basis of said approval is bad in law and without jurisdiction. For that, reliance is placed on the judgement of Hon'ble High Court of Allahabad in the case of Vikas Gupta reported at (2022) 142 taxmann.com 253 (Allahabad HC). The relevant part of judgement is reproduced:

13. Thus, as per provision of section 151 of the Income-tax Act, 1961, an assessing officer gets jurisdiction to issue notice to an assessee under section 148 of the Act, 1961 after Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner of Income-tax is satisfied on the reason recorded by the assessing officer that it is a fit case for issuing such notice. The date and time of the approval granted digitally under section 151 of the Act and the date and time of the notice under section 148 of the Act, shows that the satisfaction was recorded by the PCTT digitally after the notice under section 148 was digitally signed.

29. In the present set of facts there was no valid satisfaction recorded by the by the Prescribed Authority under section 151 of the Act, 1961 when the Assessing Officer issued notice to the assessee under section 148 of the Act, 1961. At the time when the notice under section 148 of the Act, 1961 was issued by the Assessing Officer to the petitioner there was no valid satisfaction recorded by the Prescribed Authority ie. the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner. Subsequent to issuance of the notice under section 148 of the Act, 1961 by the



Assessing Officer, the satisfaction under section 151 was digitally signed by the Prescribed Authority. Therefore, the point of time when the Assessing Officer issued notices under section 148, he was having no jurisdiction to issue the impugned notices under section 148 of the Act, 1961. Consequently the impugned notices issued by the Assessing Officer under section 148 of the Act, 1961 were without jurisdiction. The questions no. (a) and (b) are answered accordingly.

8.2. Therefore, based on these facts and circumstances of the case, the assessment order framed by the assessing officer needs to be quashed as there was no approval u/s.151 of the Act for initiating the re-assessment proceedings by the Ld. PCIT, therefore, on this count the assessment order framed by the assessing officer should be quashed.

31. Therefore, respectfully following the above binding judgments of the Coordinate Bench of ITAT (supra), we allow second legal ground of the assessee.

32. Since, we have adjudicated the issue by taking base of two legal issues (supra), therefore, grounds raised by the assessee, on merit, becomes academic and infructuous.

33 In the combined result, appeal of the assessee in ITA No.498/Rjt/2025 for A.Y. 2015-16 is allowed, whereas appeal in ITA No. 499/Rjt/2025 for A.Y. 2020-21 is allowed for statistical purposes.

Order is pronounced in the open court on 08/12/2025

**Sd/-
(DINESH MOHAN SINHA)
JUDICIAL MEMBER**

**Sd/-
(DR. ARJUN LAL SAINI)
ACCOUNTANT MEMBER**

राजकोट /Rajkot

दिनांक/ Date: 08/12/2025

आदेश की प्रतिलिपि अग्रेषित/ Copy of the order forwarded to :

- अपीलार्थी/ The Appellant
- प्रत्यर्थी/ The Respondent
- आयकर आयुक्त/ CIT
- आयकर आयुक्त(अपील)/ The CIT(A)/(NFAC), Delhi.
- विभागीय प्रतिनिधि, आयकर अपीलीय आधिकरण, राजकोट/ DR, ITAT, RAJKOT



- गार्डफाईल/ **Guard File**

By order/आदेश से,

Assistant Registrar/Sr. PS/PS
ITAT, Rajkot