IN THE INCOME TAX APPELLATE TRIBUNAL
"C" BENCH, DELHI

BEFORE SHRI ANUBHAV SHARMA, JUDICIAL MEMBER & SHRI AMITABH SHUKLA, ACCOUNTANT MEMBER

ITA No.2909/Del/2025
(Assessment Year: 2019-20)

Avtar Singh Kochar 751, B-VI Bhiwani Stand, Rohtak Haryana – 124001	Vs.	DCIT, Central Circle-25 Delhi
स्थायीलेखासं./जीआइआरसं./PAN/GIR No: AEOPK4447F		
Appellant	..	Respondent

ITA No.4438/Del/2025
(Assessment Year: 2019-20)

ACIT, Central Circle-25 Room No. 317, 3rd Floor, ARA Centre, Jhandewalan Extension Delhi – 110055	Vs.	Avtar Singh Kochar M/s Singh Petro, Petrol Pump, Near ShirdiSai Baba Mandir, VPO Kharawar, near ChahalPahal Hotel Delhi Road, Rohtak, Haryana – 124001
स्थायीलेखासं./जीआइआरसं./PAN/GIR No: AEOPK4447F		
Appellant	..	Respondent

Appellant by :	Sh. MayankPatawari, Adv, Sh. AlashOjha, Adv.
Respondent by :	Sh. Mukesh Kumar Jha, CIT, DR

Date of Hearing	18.12.2025

Date of Pronouncement	09.01.2026

O R D E R

PER ANUBHAV SHARMA, JM:

These cross appeals preferred by the assessee and revenue against the order dated 28.03.2025 of the Ld. Commissioner of Income Tax(A)-31 Delhi, (hereinafter referred as Ld. First Appellate Authority or in short Ld. 'FAA') in DIN & Order No : ITBA/APL/S/250/2024-25/1075172746(1) arising out of the order dated 14.07.2021 u/s 143(3) of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') passed by the DCIT, CC-25, for AY: 2019-20.

2. On hearing both sides we find that assessee in its appeal has raised and additional ground as follows:

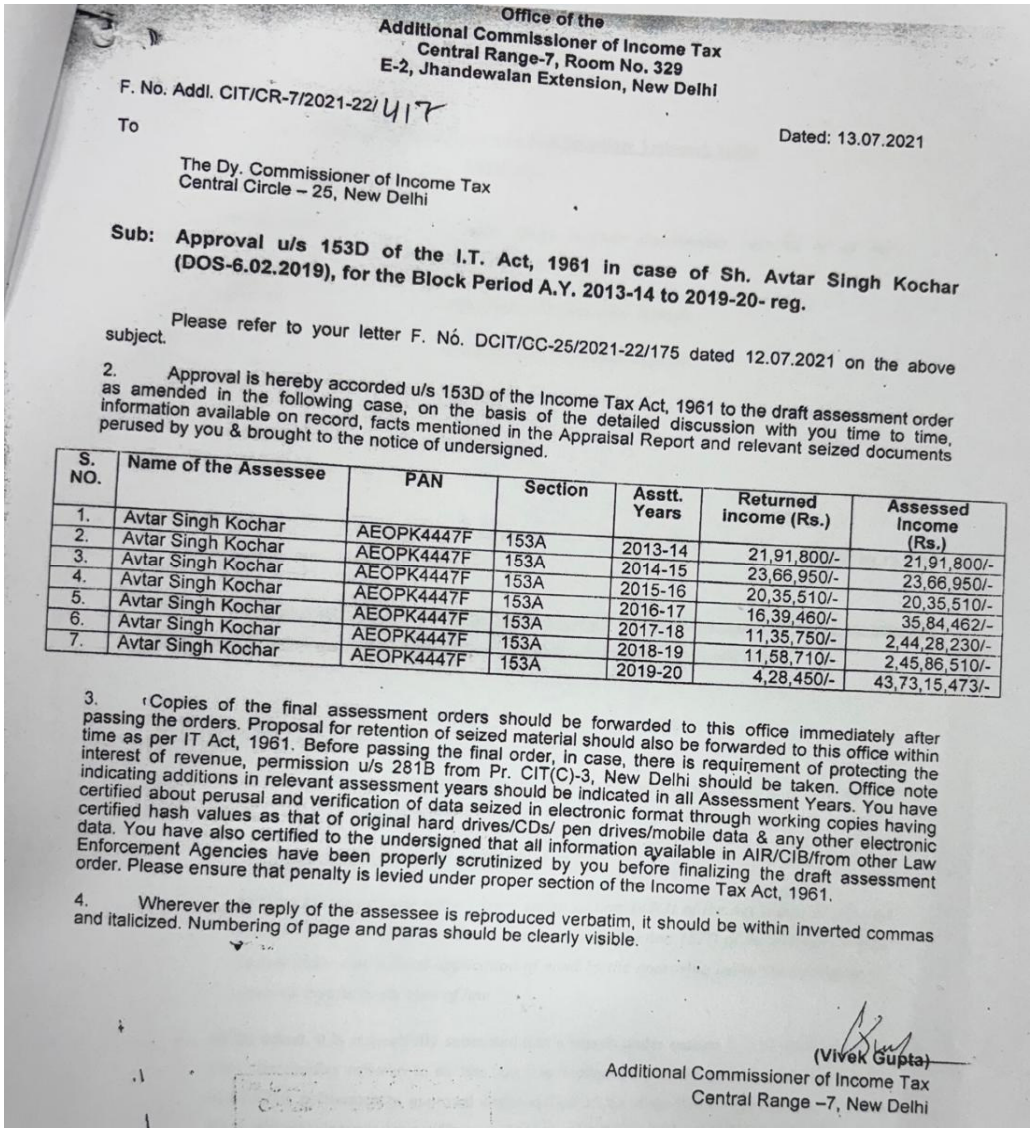
> "That the assessment order passed under section 143(3) of the Act is bad in law and void ab initio, since the mandatory approval under section 153D of the Act was granted mechanically and without application of mind by the approving authority, rendering the approval invalid in the eyes of law."

3. Considering that the additional ground and legal ground which can be decided on the basis of admitted facts the same is admitted for hearing.

4. The Ld. AR has drawn our attention to the approval dated 13.07.2021 which has been granted by the Addl. CIT, Central Range-7, New Delhi in response to a letter dated 12.07.2021 of the AO by which approval of the competent authority u/s 153D of the Act was called and it was contended that approval has been granted in a consolidated manner for 7 Assessment Years falling in 2013-14 to 2019-20 which is not as per law.

4. Ld. DR has countered the same and submitted that since common issue was involved the competent authority did not need much of time to go through the assessment records and granted the approval which was sought on 12.07.2021 and granted on 13.07.2021. The ld. DR specifically pointed out that in para 3 of the approval ld. competent authority granted approval as mentioned of electronic evidence being relied. It was also submitted that otherwise also it is merely administrative function and the approval order need not be an elaborate one.

5. We have taken into consideration the approval granted by the competent authority and considering it appropriate to reproduce the same herein below:



Office of the
Additional Commissioner of Income Tax
Central Range-7, Room No. 329
E-2, Jhandewalan Extension, New Delhi

F. No. Addl. CIT/CR-7/2021-22/ 417

To

Dated: 13.07.2021

The Dy. Commissioner of Income Tax
Central Circle – 25, New Delhi

Sub: Approval u/s 153D of the I.T. Act, 1961 in case of Sh. Avtar Singh Kochar (DOS-6.02.2019), for the Block Period A.Y. 2013-14 to 2019-20- reg.

Please refer to your letter F. No. DCIT/CC-25/2021-22/175 dated 12.07.2021 on the above subject.

2. Approval is hereby accorded u/s 153D of the Income Tax Act, 1961 to the draft assessment order as amended in the following case, on the basis of the detailed discussion with you time to time, information available on record, facts mentioned in the Appraisal Report and relevant seized documents perused by you & brought to the notice of undersigned.

S. NO.	Name of the Assessee	PAN	Section	Asstt. Years	Returned income (Rs.)	Assessed Income (Rs.)
1.	Avtar Singh Kochar	AEOPK4447F	153A	2013-14	21,91,800/-	21,91,800/-
2.	Avtar Singh Kochar	AEOPK4447F	153A	2014-15	23,66,950/-	23,66,950/-
3.	Avtar Singh Kochar	AEOPK4447F	153A	2015-16	20,35,510/-	20,35,510/-
4.	Avtar Singh Kochar	AEOPK4447F	153A	2016-17	16,39,460/-	35,84,462/-
5.	Avtar Singh Kochar	AEOPK4447F	153A	2017-18	11,35,750/-	2,44,28,230/-
6.	Avtar Singh Kochar	AEOPK4447F	153A	2018-19	11,58,710/-	2,45,86,510/-
7.	Avtar Singh Kochar	AEOPK4447F	153A	2019-20	4,28,450/-	43,73,15,473/-

3. Copies of the final assessment orders should be forwarded to this office immediately after passing the orders. Proposal for retention of seized material should also be forwarded to this office within time as per IT Act, 1961. Before passing the final order, in case, there is requirement of protecting the interest of revenue, permission u/s 281B from Pr. CIT(C)-3, New Delhi should be taken. Office note indicating additions in relevant assessment years should be indicated in all Assessment Years. You have certified about perusal and verification of data seized in electronic format through working copies having certified hash values as that of original hard drives/CDs/ pen drives/mobile data & any other electronic data. You have also certified to the undersigned that all information available in AIR/CIB/from other Law Enforcement Agencies have been properly scrutinized by you before finalizing the draft assessment order. Please ensure that penalty is levied under proper section of the Income Tax Act, 1961.

4. Wherever the reply of the assessee is reproduced verbatim, it should be within inverted commas and italicized. Numbering of page and paras should be clearly visible.

(Vivek Gupta)
Additional Commissioner of Income Tax
Central Range –7, New Delhi

6. After taking into consideration the aforesaid and the assessment order we find that the appellant is an individual and was engaged in the business of running a petrol pump as the proprietor of M/s Singh Petro during the year under consideration. A search and seizure operation u/s 132 of the Act was conducted at the residential premises and a survey action u/s 133A of the Act was conducted at the business premises of the appellant on 06/02/2019. The

search operation conducted on 06/02/2019 continued for3 days till 08/02/2019. The statement of the appellant was recorded by the search team wherein a surrender of income from hawala operation was made by him. In the statements recorded u/s 132(4) and 131(I A) of the Act, and in the submissions made by him before the AO, the appellant had explained that the margin earned by him ranges from 15 to 20 paisa per dollar i.e. approximately 0.3%. However, the AO applied 3.4 % and assessed the income of the appellant.

7. The ld. CIT(A) has however reduced the commission rate to 0.3% instead of 3.4%. Then substantive addition stand confirmed in the hands of M/s HL Forex Pvt. Ltd. for that reason protective addition in the hands of assessee was deleted. The assessment order mentions of the whatsapp chats from seized digital devices were extracted along with excel sheet to draw inferences about commission indicating that digital electronic evidences were primarily based for drawing conclusions.

8. However, as we see the approval granted, which ld. DR has relied too, same show the competent authority seems to have not at all shown any indulgence with regard to fact of electronic evidences being collected,

extracted and relied in accordance with law and specially the CBDT instructions for collection of Digital evidences and use in assessments.

9. In similar circumstances wherein approval was granted referring to assessment order*'as amended'*in the approval and mention about electronic evidences being not examined and accepted on responsibility of assessing officer, a Coordinate Bench in which one of us was in quorum had taken a view that such approval is not in accordance with law and for completeness we reproduce the relevant paragraphs of the said decision in **Manoj Kumar Singh ITA No.2237/Del/2025 order dated 19.09.2025;**

> ***"****9. However, leaving apart the contentions of ld. Sr. Counsel that tenor of approval does not show application of mind or that multiple approval were granted so to presume that there was not application of mind what we find after taking into consideration, the copy of approval granted for relevant assessment years, is that approving authority has mentioned that the impugned letter of approval that the approval has been granted to the draft assessment order 'as amended'. This phrase 'as amended' is quite ambiguous, and actually nothing could be explained or justified by ld. DR for using these words and thus rather than helping the case of Revenue and Ld. DR, it puts the case of the Revenue in docks as there is nothing in letter dated 28.03.22 by the AO to mention that at any stage before 28.03.22, there was any communication between the two authorities. The AO merely mentions that cases of assessee for AYs 2011-12 to 2021 are being put up for*

approval. It does not even mention of forwarding records and that any previous direction on the drafts is given effect. There is no mention that any time between this letter dated 28.03.2022 or 30.03.2022, the two authorities have gone through the draft assessment order afresh, so as to justify the use of words 'as amended' in the approval letter.

10. It can be further appreciated from the material on record and discussion aforesaid that this is a case where excessive reliance has been placed on the electronic/digital evidence, and the approving authority does not mention in the approval letter that electronic evidences were examined and were tested on principles of law governing the relevancy and admissibility of electronic evidences seized during search or analyzed later on. Rather, the approving authority by mentioning para-3 of the approval letter that "you have certified about perusal and verification of data seized in electronic format through working copies having certified hash values as that of original hard drives/CDs/pen drives/mobile data & any other electronic data" admits that without any independent verification, the AO's certification was relied to accept that the electronic evidences were collected and relied in accordance with law.

12. In this context, we may also note that Digital Evidence Investigation Manual,2014 (hereinafter called 'the Manual') of the Central Board of Direct Taxes provides a detailed procedure with regard to collection of digital evidences and the manner in which the same has to be relied during the assessment proceedings. The Manual is self contained code where Board has consciously and very articulately examined various facet of collection, examining and reproducing the digital evidences, on the basis of judicial decisions and provisions of law as enshrined in Evidence Act or Information

Technology Act. To bolster this conclusion of ours, we would like to observe that the CBDT in its Manual while feeling the relevance of the question with regard to admissibility of electronic evidences and taking note of sea change in the information and technology used in the business transactions has observed as to how in a relevant statutory provisions have been made with regard to ITAs No.2237 &3717/Del/2025 11 recognizing electronic record as evidence and as for convenience we reproduce the aforesaid from para 1.1 of the Manual:-

"The law of the country has also taken cognizance of this reality. The Information Technology Act, 2000 has been enacted recognizing electronic records as evidence, governing access to and acquisition of digital and electronic evidence from individuals, corporate bodies and/or from the public domain. By way of this enactment, amendments were also brought in other laws like Indian Penal Code, Indian Evidence Act and Criminal Procedure Code, (Cr.PC). The Income-tax Act, 1961 has also been amended thrice by way of Finance Act 2001, Finance Act 2002 and Finance Act 2009 thereby according recognition to electronic evidence, facilitating access to them and giving when need be, powers to impound and seize them. By Finance Act, 2001, Clause (22AA) was inserted in Section 2 to provide that the term "document" in Income Tax Act, 1961, includes an electronic record as defined in clause (t) of sub-section (1) of section 2 of the Information Technology Act, 2000. By Finance Act, 2002, Clause (iib) was inserted in Sub-Section (1) of Section 132 requiring any person who is found to be in possession or control of any books of account or other documents maintained in the form of electronic record as defined in clause (t) of sub-section (1) of section 2 of the Information Technology Act, 2000 (21 of

2000), to afford the authorised officer the necessary facility to inspect such books of account or other documents; and by Finance Act, 2009, clause (c) was inserted in sub-section (1) of Section 282 providing that service of notice in the form of any electronic record as provided in Chapter IV of the Information Technology Act, 2000 (21 of 2000) will constitute valid service."

13. Further it can be observed that in para 1.5 the objectives of the Manual are mentioned which states that the aim of this Manual is to apprise the user of "basic legal provisions relating to digital evidence in Income-tax Act and other laws including Information Technology Act and Indian Evidence Act."

14. Then, we would like to reproduce from this Manual as to how the Board perceived the relevance of various provisions of the different statutes and how specifically referred to the provisions of section 65A and 65B of the Indian Evidence Act, 1872 and directed that "accordingly while handling any digital evidence, the procedure has to be in consonance of these provisions.". The relevant part in para 2.7.3 is as follows:-

"2.7.1 The Information Technology Act-2000 has been enacted to provide legal recognition to transactions carried out by means of electronic data interchange and other means of electronic communication, which involve the use of alternatives to paper-based methods of communication and storage of information. The same enactment has also brought amendments in the Indian Penal Code, 1861, the Indian Evidence Act, 1872, the Bankers' Books Evidence Act, 1891 and the Reserve Bank of India Act, 1934.

2.7.2 As far as Income-tax Act, 1961 is concerned, it has been amended thrice by way of Finance Act, 2001, Finance Act, 2002 and Finance Act, 2009 respectively.

• By way of first amendment, provisions of sub-section (12A) of section 2 was inserted to give legal recognition to the books of account maintained on computer and sub-section (22A) to section 2 was inserted to provide definition of 'document' which included "electronic record" as defined under Information Technology Act 2000.

Under Information Technology Act 2000 an electronic record has been defined to include data, record or data generated, image or sound stored, received or sent in an electronic form or micro film or computer generated micro file. This definition of electronic record is wide enough to cover person in possession of computer, storage device, server, mobile phone, i-Pod or any such device.

The above amendment has thus specifically given recognition to electronic record as admissible evidence at par with a 'document'. Further, the powers to impound/copy a document during a survey action u/s 133A and power to seize a document during a search and seizure operation has also been automatically extended to electronic records as a result of the amendment.

• By way of second amendment, provisions of section 132 (l)(iib) were inserted facilitating access to the electronic devices including computer, containing document or books of accounts in the form of electronic records by making it obligatory for the person under control of such device to afford the necessary facility to inspect such records.

By Finance Act, 2009, clause (c) was inserted in sub-section (1) of Section 282 providing that service of notice in the form of any electronic record as provided in Chapter IV of the Information Technology Act, 2000 (21 of 2000) will constitute valid service.

2.7.3 Under Indian Evidence Act there are several references to documents and records and entries in books of account and their recognition as evidence. By way of the THE SECOND SCHEDULE to the Information Technology Act Amendments to the Indian Evidence Act have been brought in so as to, incorporate reference to Electronic Records along with the document giving recognition to the electronic records as evidence.

Further, special provisions as to evidence relating to electronic record have been inserted in the Indian Evidence Act, 1872 in the form of section 65A & 65B, after section 65. These provisions are very important. They govern the integrity of the electronic record as evidence, as well as, the process for creating electronic record. Importantly, they impart faithful output of computer the same evidentiary value as original without further proof or production of original. Accordingly, while handling any digital evidence, the procedure has to be in consonance of these provisions.

2.7.4 Under Indian Penal Code several acts of omission and commission relating to various documents and records are treated as offences. By way of the THE FIRST SCHEDULE to the Information Technology Act, Amendments to the Indian Penal Code have been brought in, so as to incorporate reference to Electronic Records along with the document."

15. Now, the Manual very categorically lays down the importance of chain of custody and how the Manual lays down procedure to be followed by

authorities for reporting and analysis of digital evidences and as to how the AO has to deal with the digital evidences and its analyse in the assessment order and what is the importance of chain of custody of digital evidences. The relevant para 9.1 and 9.6 of the Manual which:-

"9.1 Reporting of Analysis of Digital Evidence in the Assessment Order should be done in a simple lucid manner, so that any person can understand. The report should give description of the items, process adapted for analysis, chain of custody on the movement of digital evidence, hard and soft copies of the findings, glossary of terms etc .The presentation and use of digital evidence in assessment order and presentation of the same in court of the law in matters of appeal involves stating the credibility of the processes employed during analysis for testing the authenticity of the data.

Some guidelines that assessing officer need to follow when using the Digital Evidence Analysis in the assessment order etc, are as follows:

• Brief description of the case, details/description of the objects, date and time of collection of the objects, Status of the objects when collected (On or Off), Seized from - person, organization, location etc should be included in the Assessment Order.

• Digital Evidence Collection Form, Mobile Phone Evidence Collection Form should be enclosed in the order to show the initial state of the Digital Evidence.

• Digital Forensic Report(Given by Forensic Examiner) containing details of hash value and the details of all mahazar drawn to open the digital evidence at various times to gather further evidences should be included as

an annexure to the assessment order. If the chain of custody form is present, the same can be annexed to the assessment order. This will establish the integrity of the data before any court of law.

• The Key digital evidences retrieved if deleted along with the description of the same, in case of business application software, a note on how the business application software is and the technical details of all critical components.

• Whether these digital evidences have been confronted to the assessee under any section of the law? The relevant portions of the statement under various sections of Income Tax Act should be included in the order.

• Circumstantial evidences and other key physical evidences seized/impounded should be linked to the digital evidence. Usually the physical evidences like loose papers, sheets gives details of one particular transaction, while the .digital evidences may help in unearthing the entire consolidated data for the whole year. Such digital evidences should be linked to the physical evidences seized during the course of search to establish the genuineness of the data and also to quantify to the total unaccounted income.

*"**9.6 Handling the digital evidence at a later stage***

In the Income Tax Department, the digital evidence stored is used in the assessment proceedings and at later stages in case of legal tangles. In order to maintain the sanctity of data stored/seized, there is a need to maintain a chain of custody while handling the digital evidence during the course of

assessment proceedings and at later stages. Due to the lengthy legal proceedings involved, it may be needed to retain evidence indefinitely.

Hence, a chain of custody of digital evidence should be created in order to know the details of who is accessing data, if anyone who accessed the data had tampered with the data etc."

16. However, after examining the assessment order, we are of the considered view that it is not a case where a single issues was involved or same set of incriminating evidence, being some physical evidences, was relied by the AO. The incriminating evidences were multiple electronic evidences found form multiple digital devices thus in regard to same the approving authority should have made sure, before granting of approval, that at time of search and thereafter the investigation wing authorities and so also the AO has duly followed the instructions of the Board as laid in the Manual. The aforesaid directions of Board in para 9.1 and 9.6 of the Manual, requiring as to what all material should be annexed to the assessment order in case the assessment is outcome of electronic or digital evidences seems to be completely ignored by the AO. Even if for sake of arguments it is accepted that they are not instructions u/s 119 of the Act, but then that does not lead to inference that the instructions of Board could be neglected by AO and while granting approval u/s 153D of the Act, too, the same can be left out of consideration by the competent authority on assumption that it is merely an administrative function. Rather, as discussed here above the approving authority casually records that veracity of electronic evidences have been accepted as certified by the AO. Same only leads to one conclusion that approval was mechanical.

17. The law in this regard has quite crystallized by now. 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 s. 153D of the Act. The Hon'ble High Court made wide ranging observations towards the manner and legality of approval under s. 153D of the Act by observing 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 justifiable. Where the Court finds that the approval is granted mechanically, it would vitiate the assessment order itself. The Hon'ble High Court inter-alia observed that there is no even a token mention that draft order has been perused by the Ld. Addl. CIT. 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 Statue 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. 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).

18. Though there are catena of decision of coordinate bench in favour of assessees, we rely Hon'ble Jurisdictional High Court decision in case of Shiv Kumar Nayar PCIT vs Shiv Kumar Nayyar reported in 163 taxmann.com 9 which has also relied this decision in case of Serajuddin (supra) and held in para 10 to 15 as follow;

"10. Before embarking upon the analysis of the factual scenario of the instant appeal, we deem it apposite to examine the underlying intent of the relevant provision of the Act i.e., Section 153D, which is culled out as under:

"153-D. Prior approval necessary for assessment in cases or requisition.— No order of assessment or reassessment shall be passed by an Assessing Officer below the rank of Joint Commissioner in respect of each assessment year referred to in clause (b) of [subsection (1) of Section 153-A] or the assessment year referred to in clause (b) of sub-section (1) of Section 153-B, except with the prior approval of the Joint Commissioner :

Provided that nothing contained in this section shall apply where the assessment or reassessment order, as the case may be, is required to be passed by the Assessing Officer with the prior approval of the [Principal Commissioner or Commissioner] under sub-section (12) of Section 144-BA."

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, 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. [2023SCC 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 reasoned 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 section158BG 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 dated28.11.2023 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."

9. In the light of aforesaid we are inclined to allow additional ground as raised. The appeal of the assessee is allowed and consequently appeal of the revenue is dismissed. Impugned assessment order is quashed.

Order pronounced in the open court on 09.01.2026

Sd/-	Sd/-
(Amitabh Shukla)	(Anubhav Sharma)
ACCOUNTANT MEMBER	JUDICIAL MEMBER

Dated 09.01.2026
Rohit, Sr. PS
Copy forwarded to:

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

ASSISTANT REGISTRAR
ITAT NEW DELHI