

**IN THE INCOME TAX APPELLATE TRIBUNAL "RANCHI" BENCH, RANCHI**  
**(VIRTUAL HEARING AT KOLKATA)**

**SHRI SONJOY SARMA, JUDICIAL MEMBER**  
**SHRI RATNESH NANDAN SAHAY, ACCOUNTANT MEMBER**

**I.T.A. No. 401/RAN/2024**  
**Assessment Year : 2011-2012**

**Bishnu Transport Company,**

G.T. Road, Sarishaphari,

P.O.- Chirkunda, Dhanbad - 828202

[PAN: AAJFB0590K]

..... **Appellant**

**vs.**

**DCIT/ACIT,**

**Circle - ,1, Dhanbad**

O/o The Assistant Commissioner of Income Tax,

Luby Circular Road,

Dhanbad - 826001

..... **Respondent**

**Appearances by:**

Assessee represented by

: Devesh Poddar, AR

Department represented by

: Sumit Das Gupta, Sr. DR

Date of concluding the hearing

: 22.12.2025

Date of pronouncing the order

: 06.01.2026

**ORDER**

**PER SONJOY SARMA, JUDICIAL MEMBER:**

This appeal by the assessee against the order of NFAC, Delhi dated 11.09.2024 arises out of the order of the Assessing Officer passed under Section 147/143(3) of the Income-tax Act, 1961 ("the Act") for the assessment year 2011-12.

2. Brief acts of the case are that the assessee is engaged in the business of transportation. For the assessment year 2011-12, the assessee filed the return of income declaring total income of ₹12,65,350. Subsequently, the assessment was reopened by issuance of notice


under section 148 of the Act on the allegation that the assessee had received unsecured loans amounting to ₹30,00,000, the genuineness of which was doubted. In response to the notice, the assessee complied with the proceedings and the assessment was completed under section 147 read with section 143(3) of the Act determining total income at ₹61,97,051. While completing the assessment, the Assessing Officer made addition of ₹30,00,000 under section 68 of the Act on account of unsecured loans, rejected the books of account and estimated profit at the rate of 8%, made further additions of ₹1,21,499 on account of sundry receipts, and ₹46,089 on account of profit on sale of assets.

3. Aggrieved, the assessee preferred an appeal before the learned CIT(A). The learned CIT(A) rejected the grounds raised by the assessee and dismissed the appeal, sustaining the reassessment and additions made by the Assessing Officer.

4. Dissatisfied with the order of the CIT(A) assessee is in appeal before this tribunal. Before us, the assessee filed an additional legal ground challenging the validity of the reassessment proceedings on the ground that the approval obtained under section 151 of the Act for issuance of notice under section 148 of the Act was granted in a mechanical manner without application of mind. The Ld. AR submitted the copy of the approval order supplied to the assessee shows that approval was granted commonly for multiple assessees through a computer-generated format. Such mechanical approval vitiates the assumption of jurisdiction under section 147 of the Act. It was submitted that the additional ground goes to the root of the assessment proceedings and does not require any fresh investigation of facts.

Reliance was placed on the judgment of the Hon'ble Supreme Court in National Thermal Power Co. Ltd. vs. CIT (229 ITR 383). Since the additional ground raised is purely legal in nature and goes to the root of the assessment proceedings, we admit the same following the ratio laid down by the Hon'ble Supreme Court in NTPC vs. CIT (229 ITR 383).

5. The learned counsel for the assessee submitted that the approval under section 151 of the Act was granted in a routine and mechanical manner, without application of mind, which is evident from the approval sheet placed on record. The same approval covers multiple assessees, thereby rendering the approval invalid in the eyes of law. The Ld. AR further submitted that there is no discussion of facts, no reference to material relied upon, and no justification recorded for reopening the assessment of the assessee. Such approval is purely mechanical, which vitiates the entire reassessment proceedings. Reliance was placed on judicial precedents including United Electrical Co. (P) Ltd. Vs. CIT (258 ITR 317) (Del), PCIT Vs. N.C. Cables Ltd. (391 ITR 11) (Del) and various ITAT decisions quashing reassessment on identical facts. The Ld. AR in order to prove the fact he submitted copy of the approval granted u/s 151 of the Act is hereunder:



भारत सरकार / GOVERNMENT OF INDIA  
कार्यालय प्रधान आयकर आयुक्त / OFFICE OF THE PRINCIPAL COMMISSIONER OF INCOME TAX,  
आयकर भवन, लूबी सर्कुलर रोड, धनबाद / AAYKAR BHAWAN, LUBY CIRCULAR ROAD, DHANBAD

F.No.: Pr.CIT/DHN/Tech./147/2017-18/ 8695  
Dated, Dhanbad the 27<sup>th</sup> March, 2018

To,  
The Asstt. Commissioner of Income Tax  
Circle - 1(1), Dhanbad

Sir,

**Sub: Proposal for initiating proceedings u/s 147 of the I. T. Act, 1961- reg.**


**Ref: (i) JCIT/R-1/DHN/U/s 147/2017-18/2150 dt. 23-03-2018**  
**(ii) JCIT/R-1/DHN/ U/s147/2017-18/2153 dt. 26-03-2018**

Please refer to the above.

I am directed to inform that proposal as submitted by you for initiating proceedings u/s 147 of the I. T. Act, 1961 in the following cases for the A.Y. mentioned against their name are hereby accorded u/s 151(1) for issuance of notice u/s 148 of the I.T Act 1961.


SN	Name of the assessee	PAN	A.Y
1	M/s Bishnu Transport Co.	AAJFB0590K	2011-12
2	M/s Vijay Kr. Sharma (HUF)	AAACHV6753M	2011-12
3	M/s Jayen Finvest (P) Ltd.	AAACJ4776B	2011-12
4	M/s Ganpati Mercantile Co.	AAACG7283J	2011-12


151 approved


Yours faithfully,  
  
(R.K. Choudhary)  
Income Tax Officer (Tech.)  
For: Pr. Commissioner of Income Tax, Dhanbad

F.No.: Pr.CIT/DHN/Tech./147/2017-18/ 8696  
Dated, Dhanbad the 27<sup>th</sup> March, 2018

Copy to the Joint Commissioner of Income Tax, Range -1, Dhanbad for information.

  
(R.K. Choudhary)  
Income Tax Officer (Tech.)  
For: Pr. Commissioner of Income Tax, Dhanbad

**Certified Copy**  
  
CIRCLE-1, DHANBAD



6. On the other hand, the learned DR supported the orders of the lower authorities and submitted that approval under section 151 of the Act was obtained. However, he could not controvert the assessee's contention that the approval suffers from a fundamental infirmity, as it

was granted mechanically by way of common approval for multiple case without examining the facts or recording satisfaction specific to the assessee.

7. We have heard the rival submissions and perused the material available on record. Under section 151 of the Act mandates that before issuance of notice under section 148 of the Act, the Assessing Officer must obtain prior sanction of the specified authority, who must apply its independent mind to the reasons recorded and form satisfaction that it is a fit case for reopening. The satisfaction contemplated under section 151 of the act is not an empty formality, but a substantive safeguard against arbitrary reopening. From the records, it is evident that the approval order under section 151 of the Act was a composite approval covering four different assessees and the approval does not contain any discussion of facts relating to the assessee, any independent reasoning, any indication of due application of mind. Besides that the approving authority has granted approval in a routine and mechanical manner, without recording satisfaction specific to the assessee. Such an approval clearly violates the mandate of section 151 of the Act. The Hon'ble Delhi High Court in *PCIT v. N.C. Cables Ltd.* (391 ITR 11) held that mere affixing of "approved" without application of mind renders the reopening void ab initio. Similar view has been taken in *United Electrical Co. (P) Ltd. v. CIT* (258 ITR 317), wherein it was held that mechanical sanction under section 151 invalidates the reassessment proceedings.

8. Since, in the present case of the assessee the very foundation of reopening, i.e., approval under section 151 of the Act, is invalid, the notice issued under section 148 of the Act and the consequent reassessment order passed under section 147 of the Act are bad in law

and void ab initio. Once the reassessment itself is quashed on jurisdictional grounds, the additions made therein do not survive and are not required to be adjudicated on merits.

9. In view of the above facts and settled legal position, we hold that the approval granted under section 151 of the Act is mechanical, arbitrary and without application of mind. Consequently, the reassessment proceedings initiated under section 147 of the Act are invalid and bad in law. Accordingly, the reassessment order is hereby quashed. Since appeal of the assessee is allowed on the legal ground itself, the other grounds raised on merits need not require to adjudicate.

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

Order pronounced on 06.01.2026

Sd/-  
**(Ratnesh Nandan Sahay)**  
**Accountant Member**

Sd/-  
**(Sonjoy Sarma)**  
**Judicial Member**

Dated: 06.01.2026

AK, Sr. P.S.

*Copy of the order forwarded to:*

1. Appellant
2. Respondent
3. Pr. CIT
4. CIT(A)
5. CIT(DR)

//True copy//

By order

Assistant Registrar, Kolkata Benches