

**IN THE INCOME TAX APPELLATE TRIBUNAL
“A” BENCH MUMBAI**

**BEFORE SHRI AMIT SHUKLA, JUDICIAL MEMBER &
SHRI MAKARAND VASANT MAHADEOKAR, ACCOUNTANT MEMBER**

**ITA No. 2555/Mum/2025
(Assessment Year: 2017-18)**

Anumita Infrastructure Private Limited Shop No. 3, Ground Floor, Plot No. 86, Kazi Mohalla Masjid, New Kazi Street, Pydhonie, Mandvi, Mumbai- 400003	Vs.	PCIT-4 Room No. 629, Aayakar Bhavan, MK Road, Mumbai- 400020
PAN/GIR No. AAKCA3639A		
(Applicant)		(Respondent)

Assessee by	Shri Neeraj Mangla
Revenue by	Shri Rajesh Kumar Yadav, CIT DR

Date of Hearing	22.01.2026
Date of Pronouncement	29.01.2026

आदेश / ORDER

PER MAKARAND VASANT MAHADEOKAR, AM:

This appeal has been filed by the assessee against the order passed by the Principal Commissioner of Income Tax, Mumbai-4 [hereinafter referred to as “PCIT”], dated 26.03.2025, under section 263 of the Income-tax Act, 1961 [hereinafter referred to as “the Act”], whereby the assessment order dated 28.02.2023

passed by the Assessing Officer under section 147 read with section 144B of the Act for A.Y. 2017-18 was held to be erroneous and prejudicial to the interest of the Revenue and was set aside with directions.

Facts of the Case

2. The assessee is a private limited company. It filed its return of income for A.Y. 2017-18 on 23.03.2018 under section 139(4) declaring total income of Rs. 19,370/-. The return was processed under section 143(1) and thereafter a regular assessment was completed under section 143(3) on 22.10.2019 by Central Circle-2(2), Mumbai, determining income at Rs. 19,370/-.

3. Subsequently, reassessment proceedings were initiated and notice under section 148 was issued on 29.07.2022. In response, the assessee filed return of income on 08.11.2022, again declaring income of Rs. 19,370/-. Notice under section 143(2) was issued on 23.11.2022. The reassessment proceedings were completed by the Assessing Officer vide order dated 28.02.2023, passed under section 147 read with section 143(3) and section 144B of the Act, assessing the total income at Rs. 19,370/-, i.e. the returned income. Interest under sections 234A, 234B and 234C was directed to be charged as applicable.

4. In the assessment order, the Assessing Officer recorded that the assessee company had earlier been assessed by Central

Circle-2(2), Mumbai, pursuant to search proceedings, and it was held therein that the assessee was a conduit entity and that the real income arising from the activities of the assessee company was taxable in the hands of Shri Shirish C. Shah. The Assessing Officer further observed that the receipts reflected in the bank accounts of the assessee had already been taken into account in the assessment of Shri Shirish C. Shah, and therefore the findings recorded in the earlier assessment remained unaltered. On this basis, no addition was made in the hands of the assessee.

5. The PCIT, on examination of the assessment records, audit memo and proposal of the Assessing Officer, observed that information was available from search actions in third-party cases indicating that the assessee had allegedly dealt in bogus penny stock transactions. It was recorded by the PCIT that search actions in the cases of Shri Jignesh Shah and Shri Sanjay Shah allegedly revealed bogus penny stock transactions aggregating to Rs. 38,15,945/-, and search action in the case of Shri Naresh Jain allegedly revealed that the assessee was a beneficiary of accommodation entries aggregating to Rs. 20,04,080/-.

6. According to the PCIT, the reassessment order dated 28.02.2023 did not reflect any enquiry conducted by the Assessing Officer into the tax implications of these alleged transactions. The PCIT formed a prima facie view that the assessment order passed under section 147 read with section

144B was erroneous and prejudicial to the interest of the Revenue due to lack of enquiry. Accordingly, notices under section 263 were issued on 04.12.2024 and 15.01.2025.

7. In response to the notices under section 263, the assessee filed detailed written submissions dated 21.01.2025. The assessee submitted that during the original assessment proceedings completed under section 143(3) on 22.10.2019, it had furnished audited financial statements, broker ledgers and bank statements, and the Assessing Officer had categorically held the assessee to be a conduit company, with the real income being assessable in the hands of Shri Shirish C. Shah. It was further submitted that during reassessment proceedings, the assessee furnished copies of assessment orders passed in the case of Shri Shirish C. Shah under sections 153A and 153C, evidencing that the receipts appearing in the assessee's bank accounts had already been considered and taxed in his hands.

8. The assessee also raised various legal objections, including alleged defects in sanction under section 151, absence of DIN on notice under section 148, violation of section 151A and the faceless reassessment scheme, and non-communication of approval under section 151. These submissions were elaborately recorded by the PCIT in the revisionary order.

9. The PCIT held that the reassessment order dated 28.02.2023 was passed without conducting proper enquiry into

the alleged penny stock and accommodation entry transactions revealed during third-party search actions. According to the PCIT, mere reliance on the fact that income was taxed in the hands of Shri Shirish C. Shah, without independent verification of the transactions in the hands of the assessee, rendered the assessment order erroneous and prejudicial to the interest of the Revenue. On this reasoning, the PCIT invoked the provisions of section 263 and set aside the reassessment order with directions to the Assessing Officer.

10. Aggrieved by the revisionary order passed under section 263, the assessee has raised the following grounds of appeal:

1. *“That the order passed by Ld. PCIT u/s 263 of the Act is bad in law and is passed in contravention of prevailing law as well as facts of the case, therefore liable to be annulled.*
2. *That the order passed by Ld. PCIT u/s 263 of the Act is illegal and not-tenable under the law as the assessment completed u/s 147 in the case of assessee on 28/02/2023 itself was void-ab-initio invalid because of initiation of reassessment proceedings defective approval u/s 151 of the Act.*
3. *That the order passed by Ld. PCIT u/s 263 of the Act is further illegal and not tenable under the law because the reassessment proceedings completed u/s 147 of the Act on 28/02/2023 were initiated by issue of notice u/s 148 of the Act which didn't contained DIN.*
4. *That the order passed u/s 263 of the Act is further illegal and not tenable under the law because the approval claimed to be obtained u/s 151 of the Act for initiating reassessment proceedings u/s 147 of the Act was never communicated to assessee.*
5. *That the order passed u/s 263 of the Act is void-ab-initio invalid as the reassessment proceedings u/s 147 of the Act was initiated in contravention of provisions of Sec. 151A of the Act.*
6. *That the order passed by Ld. PCIT u/s 263 of the Act further lacks legal sanctity because of initiation of said proceedings on recommendation of Ld. AO himself.*

7. *That the Ld. PCIT grossly erred in law and in facts of the case in holding the reassessment order passed u/s 147 of the Act to be erroneous and prejudicial to the interest of revenue.*
8. *That the order passed by Ld. PCIT u/s 263 of the Act holding reassessment order passed u/s 147 to be erroneous and prejudicial to the interest of revenue is further illegal and not tenable under law as said reassessment proceedings were initiated alleging escapement of income on account of fictitious profits/ losses from penny stock transactions and in present order passed u/s 263 it has been alleged that source of purchase and sale of transactions remained to be verified.*
9. *That the appellant craves leave to add, alter, modify, or delete any grounds of appeal during the course of appellate proceedings.”*

11. During the course of hearing before us the learned Authorised Representative (AR) submitted that the reassessment proceedings for A.Y. 2017–18 were initiated and carried out under the new reassessment regime introduced by the Finance Act, 2021, and therefore, strict compliance with the procedure prescribed under sections 148, 148A and 151 of the Act was mandatory. It was submitted that the amended provisions of law mandate seeking of approval under section 151 at four distinct and independent stages, namely:

- i. prior to conduct of enquiry by issue of notice under section 148A(a);
- ii. while providing opportunity of being heard to the assessee under section 148A(b);
- iii. prior to passing of order under section 148A(d); and
- iv. prior to issuance of notice under section 148 of the Act.

11.1. The learned AR invited attention to the factual matrix recorded in the paper book, demonstrating the sequence of

approvals and actions undertaken by the Assessing Officer in the assessee's case. It was pointed out that:

Sr. No.	Particulars	Date	Observations
1.	Approval for passing of order under section 148A(d) of the Act	26.07.2022	Approval obtained prior to passing of order under section 148A(d)
2.	Order passed under section 148A(d) of the Act	29.07.2022	Order determining that it is a fit case for issuance of notice under section 148
3.	Approval for issuance of notice under section 148 of the Act	26.07.2022	Approval granted prior to passing of order under section 148A(d)
4.	Notice issued under section 148 of the Act	29.07.2022	Notice issued on the same date as the order under section 148A(d)

11.2. It was contended that from these undisputed dates, it is evident that no approval under section 151 was obtained after the Assessing Officer formed the satisfaction under section 148A(d) that it was a fit case for issuance of notice under section 148.

11.3. The learned AR submitted that this procedure is contrary to the express statutory scheme, as well as CBDT's binding instructions governing reassessment proceedings. The learned AR submitted that the CBDT instruction makes it abundantly clear that approval for issue of notice under section 148 is a post-decision approval, contingent upon the Assessing Officer forming satisfaction under section 148A(d). Therefore, an approval taken prior to passing of the order under section

148A(d) is wholly alien to the statutory framework and vitiates the entire reassessment proceedings.

11.4. The learned AR thus submitted that prior to 01.04.2022, and particularly in cases covered by the Ashish Agarwal judgment, separate and further approval under section 151 for issuance of notice under section 148 was mandatory, and such approval had to be obtained after passing of order under section 148A(d). In the assessee's case, however, no approval under section 151 was obtained after passing of order under section 148A(d). The approval relied upon by the Assessing Officer was admittedly prior to the date of the order under section 148A(d) and therefore cannot be regarded as a valid sanction in the eye of law.

11.5. It was accordingly submitted that since the notice under section 148 itself was issued without obtaining mandatory approval under section 151, the notice is illegal and void-ab-initio, rendering the entire reassessment proceedings unsustainable in law.

11.6. It was submitted that the assessee's case pertains to A.Y. 2017-18, and the period of three years from the end of the relevant assessment year expired on 31.03.2021. Even the extended time available under section 151(i) stood exhausted on 30.06.2021. Therefore, for passing of order under section 148A(d) on 29.07.2022 and for issuance of notice under section 148

thereafter, sanction was required to be obtained strictly in accordance with section 151(ii) of the Act from the Principal Chief Commissioner or Chief Commissioner, and not from the Principal Commissioner. It was pointed out that in the assessee's case, the approval under section 151 was obtained from the Principal Commissioner of Income Tax-4, Mumbai, which is contrary to the statutory mandate.

11.7. Reliance was placed on the judgment of the Hon'ble Supreme Court in ***Union of India vs. Rajeev Bansal (2024) 167 taxmann.com 70 (SC)***, wherein it has been categorically held that sanction under section 151 is a jurisdictional condition, and sanction by an authority not prescribed under the Act renders the reassessment proceedings void.

11.8. The learned AR further submitted that it is now judicially well settled that the validity of reassessment proceedings can be examined even while adjudicating proceedings under section 263 of the Act, and if the reassessment itself is found to be void-ab-initio, the revisionary proceedings cannot stand independently. The learned AR placed reliance on various judicial precedents dealing with jurisdictional challenge in collateral proceedings.

11.9. In view of the above, the learned AR submitted that since the reassessment order passed under section 147 read with section 144B is itself void-ab-initio for want of valid approval

under section 151, the very foundation for invoking section 263 fails. Consequently, the order passed by the learned PCIT under section 263 directing set-aside of the reassessment order and for making a fresh assessment is also invalid in law and deserves to be quashed.

12. The learned Departmental Representative (DR), on the other hand, strongly opposed the jurisdictional grounds raised by the assessee, particularly Ground Nos. 3, 4 and 5, and submitted that the said grounds are not maintainable in proceedings arising out of an order passed under section 263 of the Act.

12.1. The learned DR submitted that challenge to the validity of reassessment proceedings, including the legality of notice issued under section 148 and the sanction under section 151, cannot be entertained in proceedings under section 263, as such grounds are beyond the scope of revisionary jurisdiction. According to the learned DR, the statutory framework provides a separate and specific appellate remedy to the assessee to challenge the reassessment proceedings before the learned Commissioner (Appeals), which the assessee has admittedly not availed. It was contended that if the assessee was aggrieved by the issuance of notice under section 148 or by the alleged defects in sanction, the proper course of action was to file an appeal against the reassessment order before the learned CIT(A). Having failed to do so, the assessee cannot be permitted to raise such jurisdictional objections collaterally in proceedings under section

263, and the same, according to the learned DR, amounts to an afterthought.

12.2. The learned DR further submitted that Ground Nos. 3, 4 and 5 travel beyond the statutory framework governing revisionary proceedings and seek to indirectly challenge the reassessment proceedings, which is impermissible in law. It was argued that the scope of proceedings under section 263 is confined to examining whether the assessment order is erroneous and prejudicial to the interest of the Revenue, and does not extend to adjudicating the validity of reassessment proceedings themselves.

12.3. The learned DR also pointed out that the notice under section 148 was issued on 29.07.2022, which, according to the Revenue, was within the permissible limitation period. It was further submitted that the assessee never challenged the validity of the notice under section 148 during the course of reassessment proceedings before the Assessing Officer, and therefore, the assessee is estopped from raising such objections at this belated stage.

12.4. The learned DR submitted that the Revenue places reliance on the statutory provisions of the Act, and not merely on judicial precedents, which, according to him, are distinguishable on facts. It was argued that the judicial authorities relied upon by the assessee do not apply to the facts of the present case and

therefore cannot be pressed into service to invalidate the revisionary proceedings.

12.5. In view of the above submissions, the learned DR urged that Ground Nos. 3, 4 and 5 raised by the assessee be rejected as not maintainable, and that the order passed by the learned PCIT under section 263 be upheld.

13. We have carefully considered the rival submissions advanced by the learned Authorised Representative for the assessee and the learned Departmental Representative, perused the orders of the Assessing Officer and the Principal Commissioner of Income Tax passed under section 263 of the Act, and examined the material placed on record, including the statutory provisions and judicial precedents relied upon by both sides.

14. The principal controversy which arises for our consideration at the threshold is whether the reassessment proceedings culminating in the order passed under section 147 read with section 144B of the Act suffer from a jurisdictional infirmity on account of invalid sanction under section 151 of the Act, and if so, whether such jurisdictional defect can be examined in an appeal arising from an order passed under section 263 of the Act. Since the jurisdictional challenge, if upheld, goes to the very root of the reassessment proceedings and has a direct bearing on the validity of the revisionary jurisdiction assumed by the learned

PCIT, we deem it appropriate to adjudicate the said issue first, before dealing with the merits of the revision under section 263 of the Act.

15. At the outset, it is necessary to examine the legal position governing reassessment proceedings initiated after 01.04.2021, particularly in light of the authoritative pronouncement of the Hon'ble Supreme Court in ***Union of India vs. Rajeev Bansal (supra)***.

16. The Hon'ble Supreme Court in Rajeev Bansal has exhaustively examined the interplay between the erstwhile reassessment regime, the substituted provisions introduced by the Finance Act, 2021, and the extension of time limits granted under the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 (TOLA). The Court has categorically held that after 30.06.2021, any reassessment proceedings can be sustained only under the substituted provisions of sections 147 to 151 of the Act, and that the old reassessment regime ceases to apply beyond that date.

17. More importantly, the Hon'ble Supreme Court has authoritatively declared that the requirement of prior sanction under section 151 of the Act is a jurisdictional pre-condition for the assumption of power to reopen an assessment, and that such sanction must be obtained from the authority specifically prescribed under the statute, having regard to the time elapsed

from the end of the relevant assessment year. In paragraphs 75 and 76 of the judgment, the Hon'ble Supreme Court has clearly held that grant of sanction by the appropriate "specified authority" is a condition precedent to the Assessing Officer assuming jurisdiction under section 148, and that non-compliance with the statutory mandate of section 151 directly affects the jurisdiction of the Assessing Officer to issue a reassessment notice.

18. The Hon'ble Supreme Court has thus reaffirmed that the provisions relating to sanction and approval under section 151 are not procedural in nature but are substantive and jurisdictional, enacted as a statutory safeguard against arbitrary reopening of concluded assessments. The Court has further clarified that any reassessment proceedings initiated without strict adherence to the requirements of section 151 are invalid in law, and such jurisdictional defects are not curable by participation of the assessee or by subsequent proceedings.

19. In view of the binding law declared by the Hon'ble Supreme Court in *Rajeev Bansal*, it is evident that the validity of sanction under section 151, both in terms of the authority granting such approval and the stage at which such approval is obtained, assumes foundational significance, and any infirmity therein strikes at the very assumption of jurisdiction under section 148. Accordingly, the jurisdictional challenge raised by the assessee requires to be examined first, as the outcome thereof will

determine whether the reassessment order sought to be revised under section 263 constitutes a legally sustainable foundation for invocation of the revisionary powers by the learned PCIT.

20. Having examined in detail the applicability and binding ratio of the judgment of the Hon'ble Supreme Court in *Union of India vs. Rajeev Bansal* in the preceding part of this order, the next issue which arises for our consideration is whether the assessee is entitled, in an appeal arising from an order passed under section 263 of the Act, to raise jurisdictional objections relating to the very validity of the reassessment proceedings, or whether such objections stand foreclosed, as contended by the learned Departmental Representative. The core of the controversy, therefore, lies in delineating the scope of examination permissible in collateral proceedings under section 263 and determining whether; while adjudicating the legality of a revisionary action, the Tribunal is empowered to examine the foundational jurisdictional validity of the reassessment order sought to be revised.

20.1 The learned Departmental Representative has advanced a fourfold objection in this regard. It has been contended, first, that the assessee ought to have challenged the reassessment order before the learned CIT(A); second, that failure to do so precludes the assessee from raising jurisdictional grounds in proceedings arising under section 263; third, that such grounds travel beyond the statutory framework of section 263; and lastly, that the

reassessment notice having not been challenged before the Assessing Officer, the objections raised at this stage are merely an afterthought.

21. We are unable to accept any of the aforesaid objections. It is a settled and well-entrenched principle of law that a defect of jurisdiction strikes at the very root of the proceedings and goes to the authority of the officer to act. An order passed without jurisdiction is a nullity in the eyes of law, and such invalidity does not depend upon whether it has been set aside in appeal or otherwise. The Hon'ble Supreme Court, in the seminal judgment of *Kiran Singh & Ors. vs. Chaman Paswan & Ors.*, has authoritatively laid down that a decree or order passed without jurisdiction is a nullity; that its invalidity can be set up whenever and wherever it is sought to be enforced or relied upon; and that such a defect cannot be cured by consent, waiver, acquiescence, or by failure to take an objection at an earlier stage. This principle is not procedural in character but goes to the legitimacy of the very assumption of authority.

22. This doctrine has been consistently applied across jurisdictions, including in income-tax proceedings, where the assumption of jurisdiction by the Assessing Officer is governed strictly by statutory pre-conditions. The Hon'ble Calcutta High Court, in *Keshab Narayan Banerjee vs. CIT* (238 ITR 694), applied this principle squarely in the context of income-tax law and held that absence of a valid notice under section 148, being a

condition precedent for assumption of jurisdiction, renders the reassessment proceedings void in law. The High Court further held that where the reassessment itself is invalid, proceedings under section 263 seeking to revise such reassessment cannot be sustained, as the revisionary jurisdiction presupposes the existence of a valid and lawful assessment order. The Court thus clearly recognised that section 263 cannot operate on a void foundation and that jurisdictional defects in the original proceedings can be examined even while adjudicating the legality of revisionary action.

23. The aforesaid principles have been lucidly explained and reaffirmed by the Co-ordinate Bench in *Westlife Development Ltd. vs. PCIT* (88 taxmann.com 439). After analysing the jurisprudence governing collateral proceedings, the Co-ordinate Bench categorically held that an assessee is not precluded from raising a jurisdictional challenge in proceedings arising from section 263 merely because the original assessment order was not appealed against; that where the foundation order is alleged to be void or non est in law, such jurisdictional infirmity can be examined for the limited purpose of determining whether the Principal Commissioner could validly assume revisionary jurisdiction; and that permitting such examination does not amount to granting a back-door appeal against the assessment, but is necessary to prevent enforcement of a tax liability without authority of law.

24. The Co-ordinate Bench further observed that section 263 does not clothe the Principal Commissioner with power to validate or cure jurisdictional defects in the original assessment, and that the revisionary jurisdiction itself fails if the order sought to be revised is legally unsustainable at its inception. Jurisdiction, being a condition precedent, cannot be created or resurrected by recourse to revision where it never validly existed.

25. Applying the aforesaid legal principles to the objections raised by the learned Departmental Representative, we find no merit therein. The assessee's failure to file an appeal against the reassessment order does not validate a jurisdictionally void order. As held in *Kiran Singh*, lack of jurisdiction cannot be cured by omission, waiver, or acquiescence. The assessee is not seeking appellate relief against the reassessment per se, but is contending that the Principal Commissioner could not have exercised jurisdiction under section 263 on the basis of an order which is void ab initio. This distinction is fundamental and strikes at the heart of the controversy.

25.1. A jurisdictional objection is not a matter of discretion or equity; it goes to the very authority of the officer to act. Such an objection cannot be branded as an afterthought merely because it is raised at a later stage, particularly when the proceedings themselves are sought to be enforced or relied upon in collateral proceedings. While section 263 empowers the Principal Commissioner to revise an order which is erroneous and

prejudicial to the interest of the Revenue, the exercise of such power necessarily presupposes the existence of a valid assessment order in the eyes of law. Examination of whether such foundational validity exists does not enlarge the scope of section 263; rather, it determines whether section 263 can be invoked at all. Jurisdiction cannot be conferred by silence or inaction, and failure to object before the Assessing Officer does not cure non-compliance where the statute mandates adherence to specific jurisdictional conditions.

26. In view of the above discussion, and respectfully following the principles laid down in *Kiran Singh*, *Keshab Narayan Banerjee*, and *Westlife Development*, we hold that jurisdictional objections relating to the validity of reassessment proceedings are maintainable in an appeal arising from an order passed under section 263 of the Act; that such objections can be examined to determine whether the Principal Commissioner could validly assume revisionary jurisdiction; and that if the reassessment proceedings are found to be void ab initio for jurisdictional defects, the revisionary order under section 263 cannot be sustained.

27. Accordingly, the preliminary objection raised by the learned Departmental Representative regarding non-maintainability of the assessee's jurisdictional grounds is rejected.

28. Having held that sanction under section 151 is a jurisdictional pre-condition for assumption of reassessment

jurisdiction, as authoritatively laid down by the Hon'ble Supreme Court in Union of India vs. Rajeev Bansal, and having further held that such jurisdictional infirmity can be examined in collateral proceedings arising from an order passed under section 263 of the Act, we now proceed to apply the statutory mandate of section 151 to the facts of the present case relating to A.Y. 2017-18.

29. Under the substituted provisions of section 151 applicable with effect from 01.04.2021, the legislature has consciously introduced a time-linked hierarchy of sanctioning authorities depending upon the number of years elapsed from the end of the relevant assessment year. Where not more than three years have elapsed, approval may be granted by the Principal Commissioner or Commissioner under section 151(i); where more than three years have elapsed, approval must be granted by the Principal Chief Commissioner or Chief Commissioner under section 151(ii).

30. As held by the Hon'ble Supreme Court in Rajeev Bansal, the above prescription is not procedural but jurisdictional, and non-compliance directly affects the authority of the Assessing Officer to assume jurisdiction under section 148.

31. In the present case, the relevant assessment year is A.Y. 2017-18. The end of the relevant assessment year is 31.03.2018. A period of three years from the end of the relevant assessment year expired on 31.03.2021. The order under section 148A(d) and the

notice under section 148 were issued on 29.07.2022, i.e. well beyond three years from the end of the relevant assessment year. Therefore, on the date when reassessment jurisdiction was assumed, the applicable provision governing sanction was section 151(ii), mandating approval from the Principal Chief Commissioner or Chief Commissioner, and not section 151(i).

32. From the material placed on record, including the order passed under section 148A(d), it is evident that approval for passing the order under section 148A(d) as well as approval for issuance of notice under section 148 was obtained from the Principal Commissioner of Income Tax, purportedly under section 151(i).

33. Thus, the sanction relied upon by the Assessing Officer emanates from an authority competent only under section 151(i), whereas the facts of the case squarely attracted section 151(ii). In light of the binding ratio of the Hon'ble Supreme Court in *Rajeev Bansal*, sanction by an authority not prescribed under the applicable clause of section 151 is not a curable irregularity but a jurisdictional defect.

34. Once the statute mandates approval from a higher authority after a particular time threshold, approval from a lower authority cannot be treated as substantial compliance. Jurisdiction, being a creature of statute, can be conferred only in the manner expressly provided by law.

35. Accordingly, the sanction obtained in the present case being contrary to section 151(ii), the Assessing Officer lacked jurisdiction to issue notice under section 148, and the entire reassessment proceedings culminating in the order passed under section 147 read with section 144B are rendered void-ab-initio and non est in the eyes of law.

36. Once the reassessment order itself is held to be void for want of valid jurisdiction, the inevitable corollary is that there exists no valid assessment order in the eyes of law. Consequently, the learned Principal Commissioner could not have assumed revisionary jurisdiction under section 263 on the basis of such a void order. Section 263 presupposes the existence of an order which is both erroneous and prejudicial to the interest of the Revenue. A void order, lacking jurisdiction at inception, has no legal existence and cannot form the foundation for exercise of revisionary power.

37. In view of the foregoing discussion, and respectfully following the binding judgment of the Hon'ble Supreme Court in Union of India vs. Rajeev Bansal, we hold that the reassessment proceedings for Assessment Year 2017-18 were initiated without obtaining sanction from the competent authority as mandated under section 151(ii) of the Act; that such defect goes to the very root of the assumption of jurisdiction under section 148 and renders the reassessment order passed under section 147 read

with section 144B void ab initio; and that, consequently, the order passed by the learned Principal Commissioner under section 263 of the Act, seeking to revise a jurisdictionally void reassessment order, is unsustainable in law and liable to be quashed.

38. Accordingly, the revisionary order passed under section 263 is set aside on jurisdictional grounds alone, without entering into the merits of the issues sought to be revised.

39. In the result, the appeal filed by the assessee is allowed.

Order pronounced in the open court on 29.01.2026.

Sd/-
(AMIT SHUKLA)
JUDICIAL MEMBER

Sd/-
(MAKARAND VASANT MAHADEOKAR)
ACCOUNTANT MEMBER

Mumbai, Dated 29/01/2026
Disha Raut, Stenographer

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

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / The CIT(A)
4. आयकर आयुक्त (अपील) / Concerned CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, मुम्बई/ DR, ITAT, Mumbai
6. गार्ड फाईल / Guard file.

सत्यापित प्रति //True Copy//

आदेशानुसार/BY ORDER,

1.
उप/सहायक पंजीकार (Asst. Registrar)
आयकर अपीलीय अधिकरण, मुम्बई/ ITAT, Mumbai