

**IN THE INCOME TAX APPELLATE TRIBUNAL
(DELHI BENCH 'E' : NEW DELHI)**

BEFORE SHRI MAHAVIR SINGH, VICE PRESIDENT
AND
SHRI AMITABH SHUKLA, ACCOUNTANT MEMBER

ITA No. 3466/Del/2025
Asstt. Year : 2015-16

Poonam Lohia,
244/3-C, P.K. Road,
Railway Officers Enclave,
New Delhi – 110001
(PAN: AAAPL0656M)

VS.

ACIT, CC-3, DELHI
ROOM NO. 363, ARA
CENTRE, E-2
JHANDEWALAN EXTN.,
NEW DELHI – 55

(Appellant)

(Respondent)

Appellant by : Sh. Ajay Wadhwa, Adv., Sh. Deepanshu Kaushik,
Adv. & Sh. Vaibhav Gupta, Adv.
Respondent by : Ms. Ankush Kalra, Sr. DR

Date of Hearing	05.02.2026
Date of Pronouncement	05.02.2026

ORDER

PER MAHAVIR SINGH, VICE PRESIDENT :

This appeal by the assessee is emanating from the order of the Ld. Commissioner of Income Tax (Appeals)-23, Delhi in Appeal No. CIT(A), Delhi-23/10930/2014-15 dated 28.3.2025. Assessment was framed by the ACIT, CC-2, New Delhi vide order dated 31.3.2023 u/s. 153C of the Act relevant to assessment year 2015-16.

2. Assessee's AR filed Application dated 5.2.2026 which has been placed on record, under Rule 11 of the Income Tax (Appellate Tribunal) Rules, 1963 requesting for admission of following additional legal grounds in the instant matter which are purely legal and goes to the root of the matter and needs to be admitted, on the anvil of the decisions of the Hon'ble Apex Court in the case of CIT vs. Varas International, reported in 294 ITR 80 (SC), National Thermal Power Co. Ltd. vs. CIT reported in 229 ITR 383 (SC) and the Special Bench decision in DHL Operators, reported in 108 TTJ 152 (SB).

- i. That on the facts and circumstances of the case and in law, the CIT(A) has grossly erred in upholding the assessment framed under section 153C of the Act, without appreciating that the mandatory condition precedent of recording a valid satisfaction by the jurisdictional AO was not fulfilled. In the absence of any satisfaction demonstrating that the seized material had a bearing on the determination of the total income of the assessee for the relevant assessment year, the assumption of jurisdiction u/s. 153C stands vitiated. Hence, the very initiation as well as consequential assessment proceedings are bad in law and liable to be quashed.
2. That on the facts and circumstances of the case and in law, the the CIT(A) has grossly erred in upholding the assessment framed u/s. 153C of the Act, despite the fact that the mandatory prior approval u/s. 153D was mechanical and without independent application of mind, having been accorded in a ritualistic manner, thereby vitiating the entire assessment

proceedings and rendering the assessment order void ab initio and without jurisdiction.

3. We have heard both the parties at length and perused their respective submissions alongwith all the case files.

4. We next note that there arises the first and foremost issue of validity of all the impugned assessment framed u/s 153C of the Act, in consequence to the search action herein dated 10.1.2019, on the ground that the learned prescribed authority had not accorded a valid approval thereto u/s 153D of the Act. The Revenue could hardly dispute that the instant legal grounds sought to be raised at the assessee's behest goes to the root of the matter and therefore, we quote National Thermal Power Co. Ltd. vs. CIT (1998) 229 ITR 383(SC);as considered in Allcargo Global Logistics Ltd. vs. DCIT (2012) 137 ITD 287 (SB) (Mum), that such an additional ground could very well be allowed to be raised in section 254(1) proceedings, in order to determine the correct tax liability of an assessee provided all the relevant facts form part of the records.

5. It is in this factual backdrop that we admit the assessee's instant legal grounds and note with the able assistance coming from both the parties that the learned Assessing Officer had sought the prescribed authority's approval on 29.03.2023 which stood granted on 30.03.2023. It is noted that the subject line of the approval communication issued on 30.3.2023 by the Addl. CIT records "approval under section 153D in case of Poonam Loha for Aysr. 2013-14, 2014-15, 2016-17 to 2019-20" and the instant AY i.e. AY 2015-16 which is absent from the subject itself and also similarly missing in para 1& 2 of the said approval letter dated 30.3.2023, which establish that the approval sought and granted is without application of mind. Also the clinching fact which from page 5 in the assessee's paper book is that the learned

Assessing Officer herein had infact sought a common approval for the assessment years from 2013-14, 2014-15, 2016-17 to 2019-20 which stood granted, and therefore, we quote PCIT Vs. Shiv Kumar Nayyar (2024) 163 taxmann.com 9 (Del.), PCIT Vs. MDLR Hotels (P) Ltd. (2024) 166 taxmann.com 327 (Del.) and ACIT vs. Serajuddin and Co. (2024) 163 taxmann.com 118 (SC), to conclude that such a combined section 153D approval indeed vitiates the entire assessment itself. We draw strong support therefrom to quash the impugned assessment framed herein in assessee's case in assessment year 2015-16 in very terms. Resultantly, the assessee's quantum appeal ITA No. 3466/Del/2025 involving the corresponding impugned assessment succeed.

6. All other pleadings on merits herein stand rendered academic.

7. In the result, the Assessee's appeal is allowed.

Order pronounced in the Open Court on 05.02.2026.

Sd/-

Sd/-

(AMITABH SHUKLA)
ACCOUNTANT MEMBER

(MAHAVIR SINGH)
VICE PRESIDENT

SRBhatnagar

Date:05-2-2026

Copy forwarded to: -

1. Appellant
2. Respondent
3. DIT
4. CIT (A)
5. DR, ITAT

Assistant Registrar, ITAT,
Delhi Bench