

आयकर अपीलीय अधिकरण, 'डी' न्यायपीठ, चेन्नई
**IN THE INCOME TAX APPELLATE TRIBUNAL
'D' BENCH, CHENNAI**

श्री इंटूरी रामा राव, लेखा सदस्य एवं श्री एस एस विश्वनेत्र रवि, न्यायिक सदस्य के समक्ष
**BEFORE SHRI INTURI RAMA RAO, ACCOUNTANT MEMBER
AND SHRI S.S. VISWANETHRA RAVI, JUDICIAL MEMBER**

आयकर अपील सं./ITA No.: 3544/CHNY/2025

निर्धारण वर्ष/Assessment Year: 2018-19

Shri Palanisamy Shankarganesh

Prop: Universal Communication,
No.56, Mettur Road, Erode,
Tamil Nadu-638 001.

The Income Tax Officer,

Vs. Ward-1(1),
Erode.

[PAN: AZSPS4331D]

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by

: Mr.Bhupendran, Advocate

प्रत्यर्थी की ओर से/Respondent by

: Mr.SBR Kumar Laghimsetti,
Addl.CIT

सुनवाई की तारीख/Date of Hearing

: 20.01.2026

घोषणा की तारीख/Date of Pronouncement

: 10.02.2026

आदेश/ ORDER

PER INTURI RAMA RAO, ACCOUNTANT MEMBER:

This appeal filed by the assessee is directed against the order of the NFAC, Delhi (herein after called 'CIT(A)' in short], dated 12.09.2025 for the Assessment Year 2018-19.

2. Briefly, the facts of the case are that the appellant is an individual, the return of income for the Assessment Year 2018-19

was filed on 04.10.2018 disclosing a total income of Rs.12,63,200/-. The said return of income was processed u/s 143(1). Subsequently, based on the information received from Deputy Director of Income Tax(Inv) Unit-5(2), Mumbai that the appellant is a beneficiary of bogus invoices provided by M/s. Advanced Computers and Mobiles India Private Limited, the AO formed an opinion that the income got escaped assessment from tax. Accordingly, the AO issued a notice u/s 148 on 05.04.2022. The appellant had not complied with the notice issued u/s 148. The AO after issuing notice u/s 142(1) completed the assessment vide order dated 16.03.2024 and passed order u/s 147 r.w.s.144 r.w.s.144B of the Act at a total income of Rs.36,94,491/-. While doing so, the AO made addition of alleged bogus purchase of computers Rs.24,31,290/- made from M/s. Advanced Computers and Mobiles India Private Limited for alleged failure of the appellant to substantiate the transaction.

3. Being aggrieved by the above assessment order, an appeal was preferred before the CIT(A), who vide impugned order dismissed the appeal in limine for non-prosecution without entering into the merits of the addition. Being aggrieved, the appellant is in appeal before us in the present appeal.

4 The appellant has raised the following additional grounds:-

“With reference to the above appeal, I, Palanisamy Shankarganesh, aged 45 years, the Appellant herein, do hereby file the present application before the Hon'ble Tribunal, seeking to raise the following Additional Grounds of Appeal:

Additional Ground No.1:

The Impugned Reassessment Proceeding is null and void, as the Assessing Officer did not obtain the approval of the Specified Authority as per Section 151(ii) of the Act at the time of passing the Order u/s.148A(d) and Notice u/s.148 dated 05/04/2022, although three years had elapsed from the end of Assessment Year 2018-19.

[Relying on Madras HC Order in 305 Taxman 420 (Madras), Telangana HC Order in 481 ITR 175 (Telangana) & Chennai ITAT Order in ITA No.895/Chny/2025 dated 19.09.2025]

Additional Ground No.2:

The Impugned Reassessment Proceeding is null and void, as the Assessing Officer, vide Show Cause Notice u/s.148A(b) dated 23/03/2022 required the Appellant to respond on or before 29/03/2022, thereby granting time of less than seven clear days and violating the mandatory requirement of Section 148A(b) of the Act.

[Relying on Calcutta HC Order in 172 taxmann.com 228 (Calcutta), Karnataka HC Order in 178 taxmann.com 410 (Karnataka) and Chennai ITAT Order in ITA No.3597/Chny/2025 dated 12/12/2025]

Admittedly, these grounds could not be raised before the Learned First Appellate Authority. I am prevented by sufficient cause from not raising these grounds earlier. However, I hereby sincerely submit that these grounds of appeal are purely legal in nature and also do not require any deep verification of facts and the challenge goes to the very root of the matter.

As advised by the Authorized Representative, I believe in good faith and these issues are also well settled in my favor by High Courts and the

Jurisdictional Tribunal itself. Hence, relying on the Hon'ble Supreme Court's Order in NTPC vs. CIT, I sincerely pray that the Hon'ble Tribunal may exercise its discretion and admit these grounds and render justice in my case."

5. The appellant also filed an application seeking permission from the Tribunal to admit the additional grounds of appeal. We are satisfied with the reasons for non-raising this ground of appeal before the CIT(A). Since the matter goes to the very root of the issue, at the first instance we shall take this additional ground of appeal.

6. The contention of the appeal is that the impugned reassessment proceedings are null and void as the AO had failed to obtain the approval from the specified authority u/s.151(ii) of the Act, at the time of passing the order u/s.148A(d) and u/s.143(3) of the Act dated 05.04.2022. It is contended that the AO obtained approval of the Principal Commissioner of Income Tax, Coimbatore-1 as evident from the order passed u/s.148A(d) and 148 of the Act, instead of Principal Chief Commissioner of Income Tax or the Chief Commissioner of Income Tax, since the period of more than three years had elapsed from the end of the relevant assessment year. It is submitted that since the AO had not fulfilled this jurisdictional condition as laid down under clause

(ii) of section 151 of the Act as stood at the relevant point of time, the reassessment proceedings are null and void placing reliance on the following decisions

- i. Madras HC Order in the case of Core Logistic Company vs. ACIT, 305 Taxman 420 (Madras),
- ii. Telangana HC Order in the case of Deloittee Consulting India (P.) Ltd., 481 ITR 175 (Telangana) &
- iii. Chennai ITAT Order in the case of Megnanapuram Primary Agricultural Co-Operative Credit Society in ITA No.895/Chny/2025 dated 19.09.2025

7. On the other hand, the Ld. Senior DR opposed the above submissions, submits that since the appellant had failed to raise this ground of appeal before the lower authorities, the appellant cannot be permitted to raise this ground of appeal.

8. We heard rival submissions and perused the material on record. Admittedly in the present case, order u/s.148A(d) and notice u/s.148 of the Act was issued on 05.04.2022. It means that the year under consideration is that assessment year 2018-19, obviously the period of more than three years had been elapsed from the end of the assessment year 2018-19. Provisions of section

151 clause (ii) mandates that before passing order u/s.148A(d) of the Act, notice u/s.148 of the Act was issued, where the period of three years elapsed from the relevant assessment year, AO has to obtain approval from the specified authority who is the Principal Chief Commissioner or Principal Director General or Chief Commissioner or Director General. The relevant provisions as they stood at the relevant point of time are as under:-

“151. Sanction for issue of notice: - Specified authority for the purposes of section 148 and section 148A shall be, -

(i) Principal Commissioner or Principal Director or Commissioner or Director, if three years or less than three years have elapsed from the end of the relevant assessment year;

(ii) Principal Chief Commissioner or Principal Director General or Chief Commissioner or Director General, if more than three years have elapsed from the end of the relevant assessment year;”

9. Admittedly in the present case, the AO obtained the approval from the Principal Commissioner of Income Tax as evident from the order passed u/s.148A(d) and notice u/s.148 of the Act. It is trite law that statutory authority like AO is bound to act in the manner prescribed in the law not in any other manner. Non satisfaction of the jurisdictional conditions laid down u/s.151 of the Act renders the reassessment proceedings null and void as held by the Hon'ble Jurisdictional High Court in the case of Core Logistic

Company (*supra*) And also the Hon'ble High Court of Telangana in the case of Deloittee Consulting India (P.) Ltd., (*supra*) and the Hon'ble High Court of Bombay in the case of Rinku R. Rai vs. ITO, 454 ITR 33 (Bom). The relevant finding of the Hon'ble Jurisdictional High Court in the case of Core Logistic Company (*supra*) reads as follows:-

“9. A perusal of Section 151(i) would show that, the specified authority for the purpose of issuing notice under Section 148 within a period of three years from the end of the relevant assessment year is, the Principal Commissioner or Principal Director or Commissioner or Director. Further, in terms of provision of Section 149, three year time period is fixed for issuance of 148 notice, in the event of the amount is below 50 lakhs. In the present case, the amount involved is Rs.3,65,09,748/~, which is more than 50 lakhs. 148 notice was issued on 25.07.2022, which is beyond the period of three years. So admittedly, the approval has to be obtained from the Principal Chief Commissioner or Principal Director General or Chief Commissioner or Director General as defined under Section 151(ii). But, in the present case, the approval was obtained from the Principal Commissioner in terms of Section 151(i) and no approval was obtained before issuance of 148 notice in terms of provision of Section 151(ii), which is mandatory. Therefore, the notice under Section 148 was issued in the present case in violation of provision of Section 151(ii) of the Income Tax Act. In view thereof, the initiation of proceedings itself is without any jurisdiction. Hence, the same is liable to be quashed.”

10. In light of the above settled position of law, we hold that the reassessment initiated by the AO are null and void. Hence, the reassessment order is quashed and the order of CIT(A) is also set-aside. Since, we have allowed the jurisdictional ground of appeal, we deem it unnecessary to deal with other grounds of appeal raised by the assessee.

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

Order pronounced in the open court on 10th February, 2026 at Chennai.

Sd/-

(एस एस विश्वनेत्र रवि)
(S.S. VISWANETHRA RAVI)
न्यायिक सदस्य/**JUDICIAL MEMBER**

चेन्नई/Chennai,
दिनांक/Dated, the 10th February, 2026

RSR

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त /CIT, Coimbatore
4. विभागीय प्रतिनिधि/DR
5. गार्ड फाईल/GF.

Sd/-

(इंटूरी रामा राव)
(INTURI RAMA RAO)
लेखा सदस्य/**ACCOUNTANT MEMBER**