



आयकर अपीलीय अधिकरण, राजकोट न्यायपीठ, राजकोट।

IN THE INCOME TAX APPELLATE TRIBUNAL, "SMC"

RAJKOT BENCH, RAJKOT

BEFORE DR. ARJUN LAL SAINI, ACCOUNTANT MEMBER

आयकर अपील सं./ITA No. 789/RJT/2025

निर्धारण वर्ष/Assessment Year: (2017-18)

Shree Maru Kansara Soni Gnati C/O Rajesh K Soni, Shashtri Road, Anjar, Kutch-360 001(Gujarat)	बनाम /Vs.	Income Tax Officer (Exemption), Ward- 1, Rajkot, IT Office, New Aayakar Bhavan, Vatiaka, Rajkot-360 001
स्थायीलेखासं./जीआइआरसं./PAN/GIR No.: AARTS 1920 N		
(Appellant)		(Respondent)

Appellant by : Shri Kalpesh Doshi, Ld. AR

Respondent by : Shri Gopi Nath Chaubey, Ld. Sr. DR

Date of Hearing : 24/12/2025

Date of Pronouncement : 13/02/2026

आदेश / ORDER

Per, Dr. Arjun Lal Saini, AM:

Captioned appeal filed by the assessee, pertaining to assessment year 2017-18, is directed against the order passed under section 250 of the Income Tax Act, 1961 (hereinafter referred to as "the Act") by National Faceless Appeal Centre (NFAC), Delhi/Commissioner of Income-tax (Appeals), dated 29/01/2025, which in turn arises out of an order passed by the Assessing Officer u/s 147 r.w.s. 144 r.w.s 144B of the Act, dated 30.03.2022.

2. Grounds of appeal raised by the assessee are as follows:

1. That, the Ld. AO has wrongly re-opened assessment u/s. 147 of 1 the I.T. Act, 1961.

2. That, the Ld. AO has failed to issue the statutory notice u/s 143(2) of the I.T. Act, 1961.



3. That, the Ld. AO has wrongly passed the assessment order u/s 144 rws 147 of the I.T. Act 1961 without giving proper opportunity of being heard.

4. That, the Ld. AO has wrongly made addition of Rs.30,23,000/- on account of unexplained money u/s 69A of the I.T. Act, 1961.

5. That, the Ld. AO has wrongly applied the provision of section 115BBE of the I.T. Act, 1961.

6. That, the Ld. AO has wrongly initiated penalty proceedings u/s 274 r.w.s. 271AAC(1), 272A(1) (d) and 271F of the I.T. Act, 1961.

7. That, the Ld. AO has wrongly charged interest u/s 234A, 234B, 234C, 234D of the I.T. Act, 1961.

8. That, the findings of the Ld. AO are not justified and are bad- in- law.

9. The appellant craves to add, amend, alter OR DLEETE any of the above grounds of appeals.”

3. When the matter was called for hearing, the learned Counsel for the assessee at the outset submitted that appeal has been filed by the assessee belatedly by 228 days. That is, appeal filed by the assessee in ITA No.789/Rjt/2025 is barred by limitation by 228 days. The assessee has moved a petition for condonation of delay, requesting the Bench to condone the delay, in filing appeal. The learned Counsel therefore, adverted my attention to the affidavit filed in this regard citing reasons for condonation of delay and urged for a benign view and sought condonation of delay 228days. Learned Counsel for the assessee submitted that because of the mistake of the advocate of the assessee, the delay of 228 days has resulted for which the assessee should not be penalized. However, learned DR for the revenue, opposed the prayer of the assessee, for condonation of delay and stated that appeal may be dismissed on account of the delay. A perusal of the affidavit gives me an impression of existence of mitigating circumstances to enable me to exercise my discretion in favour of the assessee. Accordingly, the delay is condoned.



4. On merit, Learned Counsel for the assessee explained the facts of the assessee's case that assessee trust has filed its original return of income on 13.09.2017, declaring nil income, which was processed under section 143(1) of the Act. Subsequently, the proceedings under section 147 of the Act, in assessee's case was initiated on the ground that the assessee has made cash deposit of Rs. 30,20,300/- during demonetization period in the year under consideration. Therefore, the assessing officer recorded the reasons, and thereafter, notice under section 148 of the Act was issued on 26.03.2021, after recording reason and obtaining necessary permission from the competent authority. Notices under section 142(1) of the Act were issued on 24.05.2021, 18.02.2022, 23.02.2022. After issue of show cause notice, the assessee filed its return of income on 19.03.2022 declaring nil income, vide acknowledgment No. 391365240190322 in response to notice under section 148 of the Act. The assessee also submitted reply of various notices of assessing officer during the assessment proceedings. However, assessing officer rejected the reply of the assessee and made addition in the hands of the assessee, of Rs. 30,23,000/-, under section 69A of the Income Tax Act, 1961.

5. Aggrieved by the order of the Assessing Officer, the assessee carried the matter in appeal before Ld. CIT(A) who did not adjudicate the technical ground raised by the assessee under section 147/148 of the Act, however, remitted the issue back to the file of Assessing Officer for fresh adjudication. Dissatisfied with the order of ld.CIT(A), the assessee is in further appeal before this Tribunal.

6. Shri Kalpesh Doshi, Ld. Counsel for the assessee, vehemently argued that in assessee's case under consideration, the approval taken u/s 151 of the Act is not



signed and for that Ld. Counsel for the assessee took me through the relevant approval under section 151 of the Act, which is reproduced below:

Approval u/s 151 of the IT Act, 1961			
PAN: AARTS1920N	AY: 2017-18	Dated: 26/03/2021	DIN & Document No : ITBA/AST/S/118/2020-21/1031783952(1)
Name and Address of Assessee: SHREE MARU KANSARA SONI GNATI ANJAR			
Approving Authority		Range	
Category		Assessment	
Income Escaped Amount >= 1 Lakh		Yes	
Income Escaping Assessment (Rs.)		30,20,300	
Proposal Details:			
Name of Officer	RAJESH BALAN PILLAI		
Designation	ITO EXEMPTION WD 1,RAJKOT		
Date of Proposal	16/03/2021		
Reason(s) to Believe:	As per Annexure		
Approval Details:			
Name	DINESH SINGH		
Designation	JT CIT (EXMP) RNG-2 AHD RAJKOT		
Approval Status	Approved		
Date of Approval	26/03/2021		
Remarks of approving authority	In view of the reasons recorded by the AO, I am satisfied that it is a fit case to issue notice u/s. 148 of the IT Act.		

DINESH SINGH
JT CIT (EXMP) RNG-2 AHD RAJKOT

7. Thereafter Ld. Counsel for the assessee submitted that since approval granted by the designated officer u/s 151 of the Act, is not signed, therefore the order passed by the Assessing Officer should be quashed.



8. On the other hand, the Ld. DR for the Revenue has primarily reiterated the stand taken by the Assessing Officer, which we have already noted in our earlier para and is not being repeated for the sake of brevity.

9. I have heard both the parties and perused the materials available on record. I have gone through the approval u/s 151 of the Act and noted that there is no signature in the approval dated 26/03/2021, reproduced above . The approval granted by the higher authority u/s 151 of the Act is neither signed manually nor digitally, therefore, in absence of valid signature, the notice issued u/s 148 of the Act and the reassessment proceedings carried out is bad in law and liable to be quashed. In the absence of signature by the concerned authority on the approval under section 151 of the Act, such approval document, cannot be enforced in the eye of law.

10. Under the Income Tax Act, 1961, the Specified Authority defined in Section 151 plays a critical oversight role in the process of assessing income that has escaped assessment. Their primary function is to provide mandatory prior approval before certain jurisdictional actions can be taken by an Assessing Officer. According to Section 151, the "Specified Authority" for the purposes of Sections 148 and 148A is the Additional Commissioner, the Additional Director, the Joint Commissioner, or the Joint Director etc. An Assessing Officer is prohibited from issuing a notice under Section 148 (which initiates the reassessment process) without prior approval from the specified authority if the information suggesting the escape of income was received through a scheme notified under Section 135A of the Act. Under the procedure for determining whether income has escaped assessment, the Assessing Officer must obtain the prior approval of the specified authority to pass an order under Section 148A(3) of the Act. This order determines whether or not a case is "fit" to issue a notice under Section 148 based on available material and the assessee's reply to a show-



cause notice. The role of the Specified Authority under Section 151 of the Act, is to act, as a statutory check, ensuring that reassessment proceedings and notices are only initiated after a high-ranking official has reviewed the information and granted formal sanction. Therefore, approval under section 151 of the Act, should be signed by the appropriate income tax Authority.

11. Therefore, I note that **without a valid and properly signed approval under Section 151 of the Income Tax Act, 1961, reassessment proceedings under Sections 147/148 of the Act cannot be validly initiated.** The requirement of approval under Section 151 is **mandatory and jurisdictional**; failure to comply with this condition precedent renders the entire reassessment invalid. The law is not a mere formality, it safeguards taxpayers against arbitrary reopening of assessments. Under Section 151 of the Act, before issuing a notice under Section 148 of the Act, (which triggers reassessment under Section 147), the Assessing Officer must obtain **prior approval from the specified higher authority** (e.g., Commissioner, Principal Commissioner, Principal Chief Commissioner, etc., as applicable) and must record the reasons on which this approval is based. The statutory scheme makes this **a condition precedent** to the validity of any reassessment proceedings. **Therefore, I find that Section 151 sanction is jurisdictional**, without it, the assessing officer has no authority to issue a notice under Section 148 of the Act, and the proceedings would be void ab initio. **A document that is not signed cannot automatically be treated as a valid document in Indian law.** If the approval note under Section 151 of the Act is not signed, reassessment proceedings initiated thereafter are to be quashed. Accordingly, I quash the re-assessment order dated 30.03.2022, being void *ab-initio*.



12. As the reassessment itself is quashed, all other issues on merits of the additions, in the impugned assessment proceedings, are rendered academic and infructuous.

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

Order pronounced in the open court on 13/02/2026.

Sd/-
(Dr. A.L. SAINI)
लेखा सदस्य/ACCOUNTANT MEMBER

राजकोट /Rajkot
दिनांक/ Date: 13/02/2026

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

- अपीलार्थी/ The Appellant
- प्रत्यर्थी/ The Respondent
- आयकर आयुक्त/ CIT
- आयकर आयुक्त(अपील)/ The CIT(A)
- विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, राजकोट/ DR, ITAT, RAJKOT
- गार्ड फाईल/ Guard File

By order/आदेश से,

सहायक पंजीकार
आयकर अपीलीय अधिकरण ,राजकोट