

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DEHRADUN BENCH, DEHRADUN  
BEFORE YOGESH KUMAR U.S., JUDICIAL MEMBER  
AND  
SHRI SANJAY AWASTHI, ACCOUNTANT MEMBER**

**ITA No. 218/DDN/2025 (A.Y. 2009-10)**

**ITA No. 219/DDN/2025 (A.Y. 2010-11)**

**ITA No. 220/DDN/2025 (A.Y. 2011-12)**

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| Society for Advancement in Education. 17-A, Chaman Estate, Near Hotel Sky Touch, Mussorie, Uttarakhand<br><b>PAN: AACAS5234K</b> | Vs                         | Income Tax Officer, Exemption Ward, Aaykar Bhawan 13A, Subhash Road, Dehradun, Uttarakhand |
| <b>Appellant</b>   |                            | <b>Respondent</b>  |
| Assessee by  | Sh. Rajeev Shaini, CA      |  |
| Revenue by   | Sh. Amar Pal Singh, Sr. DR |  |
| Date of Hearing  | 09/02/2026                 |  |
| Date of Pronouncement  | 18/02/2026                 |  |

**ORDER**

**PER YOGESH KUMAR, U.S. JM:**

The captioned Appeals are filed by the Assessee against the orders of Ld. Commissioner of Income Tax (Appeals)/National Faceless Appeal Centre ('Ld. CIT(A)/NFAC' for short), New Delhi dated 09/09/2025 for the Assessment Years 2009-10 & 2010-11 and the order dated 04/09/2025 for A.Y 2011-12 respectively.

2. Brief facts of the case are that, assessment orders came to be passed on 26/12/2016 for A.Y 2009-10 to 2011-12 under Section 143(3)/147 of the Income Tax Act, 1961 ('Act' for short) against the Assessee by making certain additions. Aggrieved by the above mentioned

assessment orders, Assessee preferred three Appeals before the Ld. CIT(A). The Ld. CIT(A) vide orders impugned, dismissed the Appeals filed by the Assessee. As against the orders of the Ld. CIT(A), Assessee preferred the captioned appeals.

3. The Ld. Counsel for the Assessee confined his submission on Ground No. 2 of the Appeals and contended that the Ld. CIT(A) has erred in law and on facts in confirming the action of the A.O. of issuing Notice u/s 148 of the Act after obtaining mechanical sanction u/s 151 of the Act from the competent authority, which being illegal as per provisions of the Income Tax Act, 1961, thus the consequential assessment orders will be annulled. The Ld. Counsel has relied on following judicial precedents and sought for quashing the assessment order.

i) Arjun Singh and Anr vs. Assistant Director of Income and Anr 246 ITR 363 (2000) (MP).

ii) ITA Nos. 82, 83, 84, 87 and 89/2012 CIT, Jabalpur vs. M/s S. Goyanka Lime and Chemicals Ltd.

(iii) Union of India Vs. M. L. Capoor&ors (1973) AIR 1974 SC 87,97/2 SCC 836.

4. Per contra, the Ld. Department's Representative submitted that the assessment orders have been passed in accordance with provisions of Act and Rules framed thereunder and the additions have been made by the A.O. after verifying the material on record by deciding the issue on

merits, therefore, submitted that the technical ground of the Assessee cannot be sustained. Further, relying on the orders of the Lower Authorities sought for dismissal of the Appeals of the Assessee.

5. We have heard both the parties and perused the material available on record. The Assessee has produced the copy of Performa sent along with reasons recorded by the A.O. at Page No. 003 to 005 of the Paper Book. As could be seen from the said documents, in so far as the Assessment Year 2009-10 and 2010-11, the sanction has been accorded in Point No. 13 and for A.Y 2011-12 in Point No. 12 by affixing a rubber stamp '*Yes I am satisfied it is a fit case of issuing Notice u/s 148*'. Further the Commissioner of Income Tax (Exemption) for Assessment Year 2009-10 and 2010-11 and for Assessment Year 2011-12 Joint/Additional Ld. CIT(E) affixed the rubber stamp '*Yes I am satisfied*'. Authorities have only appended their signature on the rubber stamp affixed for giving sanction for initiation of re-assessment proceedings u/s 147 of the Act for the respective Assessment Years.

6. The Hon'ble Apex Court in case of CIT vs. S. Goyanka Lime & Chemical Ltd. – (2015) 64 taxmann.com 313 (SC) adjudicated the identical issue as to according the sanction for reopening the assessment u/s 148 of the Act by merely recording "Yes. I am satisfied" and held that

reopening on the basis of mechanical sanction is invalid in following manners :-

*“ Section 151, read with section 148 of the Income-tax Act,1961 – Income escaping assessment – Sanction for issue of notice (Recording of satisfaction) – High Court by impugned order held that where Joint Commissioner recorded satisfaction in mechanical manner and without application of mind to accord sanction for issuing notice under. Section 148, reopening of assessment was invalid – Whether Special Leave Petition filed against impugned order was to be dismissed – Held, yes [In favour of assessee]*

*Search and Seizure-Procedure for block Assessment- Search was conducted at residential and business premises of Assessee and notice for block assessment u/s. 158-BC was issued- For block period, returns were filed that were processed u/s. 143 (1)- However, notice u/s. 148 was issued by AO, on basis of certain reasons recorded Assessee objected to same before AO, that was rejected and assessment was completed u/ss. 143(3) and 147-CIT(A) found that reason recorded by Joint Commissioner of Income Tax, for according sanction, was merely recording ‘I am Satisfied’-Action for sanction was alleged to be without application of mind and to be done in mechanical manner-Held, while according sanction, Joint Commissioner, Income Tax only recorded “Yes, I am satisfied”-Mechanical way of recording satisfaction by Joint Commissioner, that accorded sanction for issuing notice u/s. 147, was clearly unsustainable-On such consideration, both Appellate authorities interfered into matter- o error was committed warranting reconsideration-As far as explanation to S. 151, brought into force by Finance Act, 2008 was concerned, same only pertained to issuance of notice and not with regard to manner of recording satisfaction-Amended provision did not help Revenue-No question of law involved in matter, that warranted reconsideration Revenue’s Appeals dismissed.”*

7. The Hon’ble Jurisdictional High Court in the case of Pr. CIT vs Pioneer Town Planners (P.) Ltd. (supra), while dealing with an identical issue, held as under:-

22. "So far as the decision relied upon the Revenue in the case of Meenakshi Overseas Pvt. Ltd. is concerned, the same was a case where the satisfaction was specifically appended in the proforma in terms of the phrase-"Yes, I am satisfied". Moreover, paragraph 16 of the said decision distinguishes the approval granted using the expression "Yes" by citing Central India Electric Supply, which has already been discussed above. The decision in the case of Experion Developers P. Ltd. would also not come to the rescue of the Revenue as-the same does not deal with the expression used in the instant appeal at the time of granting of approval.

23. Therefore, it is seen that the PCIT has failed to satisfactorily record its concurrence. By no prudent stretch of imagination, the expression "Yes" could be considered to be a valid approval. In fact, the approval in the instant case is apparently akin to the rubber stamping of "Yes "in the case of Central India Electric Supply."

8. Further the Hon'ble Jurisdictional High Court in the case of SBC Minerals Pvt. Ltd. vs ACIT [2025] 475 ITR 360 (Del.), considering the various judicial precedents held as under:-

10. "Before considering the merits of the contentions of the parties, it would be apposite to examine the relevant legal framework.

11. Section 151 of the Act, as it stood prior to the substitution by Act 13 of 2001 is reproduced hereunder:

"151. Sanction for issue of notice.-(1) No notice shall be issued under section 148 by an Assessing Officer, after the expiry of a period of four years from the end of the relevant assessment year, unless the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner is satisfied, on the reasons recorded by the Assessing Officer, that it is a fit case for the issue of such notice.

(2) In a case other than a case falling under sub-section (1), no notice shall be issued under section 148 by an Assessing Officer, who is below the rank of Joint Commissioner, unless the Joint Commissioner is satisfied, on the reasons recorded by such Assessing Officer, that it is a fit case for the issue of such notice.

(3) For the purposes of sub-section (1) and sub-section (2), the Principal Chief Commissioner or the Chief Commissioner or the g Principal Commissioner or the Commissioner or the Joint Commissioner, as the case may be, being satisfied on the reasons recorded by the Assessing Officer about fitness of a case for the issue of notice under section 148, need not issue such notice himself."

12. A plain reading of the aforesaid provision clearly indicates that the prescribed authority must be "satisfied", on the reasons recorded by the Assessing Officer ("AO"), that it is a fit case for the issuance of such notice. Thus, the satisfaction of the prescribed authority is a sine qua non for a valid approval.

13. It is trite law that the grant of approval is neither an empty formality nor a mechanical exercise. The competent authority must apply its mind independently on the basis of material placed before it before grant of sanction.

14. A perusal of the record reveals that the request for approval under section 151 of the Act in a printed format was placed before the Principal Chief Commissioner of Income-tax ("PCCIT") on March 20, 2023. The Principal Chief Commissioner of Income-tax granted the approval the same day. The approval accorded by the Principal Chief Commissioner of Income-tax in column 22 is extracted below:

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|----|---|--|
| 22 | Reasons for according approval/rejection by the specified authority to order under section 148A(d) and/or issuance of notice under section 148 of the Income-tax Act, 1961? | Remarks: Approved under section 148A(d) as a fit case. Name: Rajat Bansal Designation :PCCIT, Delhi Date- 20.03.2023 |
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15. It is evident that the approval order is bereft of any reasons. It does not even refer to any material that may have weighed in the grant of approval. The mere appending of the word "approved" by the Principal Chief Commissioner of Income-tax while granting approval under section 151 to the reopening under section 148 is not enough. While the Principal Chief Commissioner of Income-tax is not required to record elaborate reasons, he has to record satisfaction after application of mind. The approval is f a safeguard and has to be meaningful and not merely ritualistic or formal. The reasons are the link between material placed on record and the conclusion reached by the authority in respect of an issue, since they help in discerning the manner in which the conclusion is

*reached by the concerned authority. Our opinion in this regard is fortified by the decision of the apex court in Union of India v. Mohan LalCapoor. The grant of approval by the Principal Chief Commissioner of Income-tax in the printed format without any line of reason does not fulfil the requirement of section 151 of the Act.*

*16. We note that dealing with an identical challenge of approval having been accorded mechanically and without due application of mind had arisen for our consideration in the case of the Pr. CIT v. Pioneer Town Planners Pvt. Ltd., wherein, we had held as follows (page 361 of 465 ITR):*

*"13. The primary grievance raised in the instant appeal relates to the manner of recording the approval granted by the prescribed authority under section 151 of the Act for reopening of assessment proceedings as per section 148 of the Act.*

*17. Thus, the incidental question which emanates at this juncture is whether simply penning down 'Yes' would suffice requisite satisfaction as per section 151 of the Act. Reference can be drawn from the decision of this court in Pr. CIT v. N. C. Cables Ltd.<sup>1</sup>, wherein, the usage of the expression 'approved' was considered to be merely ritualistic and formal rather than meaningful. The relevant paragraph of the said decision reads as under (page 17 of 391 ITR):*

*'11. Section 151 of the Act clearly stipulates that the Commissioner of Income-tax (Appeals), who is the competent authority to authorise the reassessment notice, has to apply his mind and form an opinion. The mere appending of the expression "approved" says nothing. It is not as if the Commissioner of Income-tax (Appeals) has to record elaborate reasons for agreeing with the noting put up. At the same time, satisfaction has to be recorded of the given case which can be reflected in the briefest possible manner. In the present case, the exercise appears to have been ritualistic and formal rather than meaningful, which is the rationale for the safeguard of an approval by a higher ranking officer. For these reasons, the court is satisfied that the findings by the Income-tax Appellate Tribunal cannot be disturbed.'*

*18. Further, this court in the case of Central India Electric Supply Co. Ltd. v. ITO has taken a view that merely rubber*

*stamping of 'Yes' would suggest that the decision was taken in a mechanical manner. Paragraph 19 of the said decision is reproduced as under (page 245 of 333 ITR):*

*'In respect of the first plea, if the judgments in ChhugamalRajpal v. S. P. Chaliha, Chanchal Kumar Chatterjee v. ITO and Govinda Choudhury and Sons v. ITO are examined, the absence of reasons by the Assessing Officer does not exist. This is so as along with the pro-forma, reasons set out by the Assessing Officer were, in fact, given. However, in the instant case, the manner in which the proforma was stamped amounting to approval by the Board leaves much to be desired. It is a case where literally a mere stamp is affixed. It is signed by an Under Secretary underneath a stamped Yes against the column which queried as to whether the approval of the Board had been taken. Rubber stamping of underlying material is hardly a process which can get the imprimatur of this court as it suggests that the decision has been taken in a mechanical manner. Even if the reasoning set out by the Income-tax Officer was to be agreed upon, the least which is expected is that an appropriate endorsement is made in this behalf setting out brief reasons. Reasons are the link between the material placed on record and the conclusion reached by an authority in respect of an issue, since they help in discerning the manner in which conclusion is reached by the concerned authority. Our opinion is fortified by the decision of the apex court in Union of India v. Mohan Lal Capoor<sup>1</sup> wherein it was observed as under:*

*"27. We find considerable force in the submission made on behalf of the respondents that the 'rubber stamp' reason given mechanically for the supersession of each officer does not amount to 'reasons for the proposed supersession'. The most that could be said for the stock reason is that it is a general description of the process adopted in arriving at a conclusion.*

*28. If that had been done, facts on service records of officers considered by the Selection Committee would have been correlated to the conclusions reached. Reasons are the links between the materials on which certain conclusions are based and the actual conclusions. They disclose how the mind is applied to the subject-matter for a decision whether it is purely administrative or quasi-judicial. They should reveal a rational*

*nexus between the facts considered and the conclusions reached. Only in this way can opinions or decisions recorded be shown to be manifestly just and reasonable." (emphasis supplied)' .*

19. *In the case of ChhugamalRajpal v. S. P. Chaliha<sup>3</sup>, the hon'ble Supreme Court refused to consider the affixing of signature along with the noting Yes' as valid approval and had held as under (page 608 of 79 ITR):*

*'Further the report submitted by him under section 151(2) does not mention any reason for coming to the conclusion that it is a fit case for the issue of a notice under section 148. We are also of the opinion that the Commissioner has mechanically accorded permission. He did not himself record that he was satisfied that this was a fit case for the issue of a notice under section 148. To question 8 in the report which reads "whether the Commissioner is satisfied that it is a fit case for the issue of notice under section 148", he just noted the b word "yes" and affixed his signatures thereunder. We are of the opinion that if only he had read the report carefully, he could never have come to the conclusion on the material before him that this is a fit case to issue notice under section 148. The important safeguards provided in sections 147 and 151 were lightly treated by the Income-tax Officer as well as by the Commissioner. Both of them appear to have taken the duty imposed on them under those provisions as of little importance. They have substituted the form for the substance.'*

20. *This court, while following ChhugamalRajpal v. S. P. Chaliha in the case of Ess Advertising (Mauritius) S. N. C. EtCompagnie v. Asst. CIT (International Taxation), wherein, while granting the approval, the Assistant Commissioner of Income-tax has written: This is fit case for issue of notice under section 148 of the Income-tax Act, 1961. Approved, had held that the said approval would only amount to endorsement of language used in section 151 of the Act and would not reflect any independent application of mind. Thus, the same was considered to be flawed in law."*

9. Similar view has been expressed by the Hon'ble Delhi High Court in the case of CIT vs N.C. Cables Ltd. reported in (2017) 391 ITR 11.

10. In view of the above facts and by respectfully following the judgment of Hon'ble Supreme Court in the case of S. Goyanka (supra) and further by following the judgments of High Delhi High Court (supra), we are of the opinion that the approvals granted for re-opening the assessments are mechanical approval and the notice issued u/s 148 of the Act based on such approval are bad in law, therefore, consequent impugned re-assessment orders are hereby quashed. Accordingly, Ground No. 2 of the Assessee's Appeals are allowed.

11. Since, we have allowed the Ground No. 2 and quashed the assessment orders in the Appeals of the Assessee, remaining Grounds of appeal raised by the assessee require no adjudication.

15. In the result, appeals of the assessee are allowed.

**Order pronounced in the open court on 18<sup>th</sup> February, 2026**

Sd/-  
**(SANJAY AWASTHI)**  
**ACCOUNTANT MEMBER**

Date:- 18.02.2026  
Reshma Naheed, Sr.P.S

Sd/-  
**(YOGESH KUMAR U.S.)**  
**JUDICIAL MEMBER**

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR  
ITAT, NEW DELHI