

**IN THE INCOME TAX APPELLATE TRIBUNAL DELHI
(DELHI BENCH 'C' NEW DELHI)
BEFORE YOGESH KUMAR U.S., JUDICIAL MEMBER
AND
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER**

ITA No. 4806/DEL/2025 (A.Y. 2013-14)

Assistant Commissioner of Income Tax, Central Cordcle-04, room No. 333, 3 rd Floor, ARA Centre, Jhandewalan Extension , New Delhi	Vs	Corporate International Financial Services Limited Sector B PKT-1, Vasant Kunj, South Delhi, Delhi PAN: AAACK0329B
Appellant		Respondent

C.O No. 270/DEL/2025 in ITA No. 4806/DEL/2025

Corporate International Financial Services Limited Sector B PKT-1, Vasant Kunj, South Delhi, Delhi PAN: AAACK0329B	Vs	Assistant Commissioner of Income Tax, Central Cordcle-04, room No. 333, 3 rd Floor, ARA Centre, Jhandewalan Extension , New Delhi
Appellant		Respondent

Assessee by	Sh. Somil Aggarwal, Adv & Sh. Deepesh Garg, Adv	
Revenue by	Sh. Dayainder Singh Sidhu, CIT DR	
Date of Hearing	16/03/2026	
Date of Pronouncement	18/03/2026	

ORDER

PER YOGESH KUMAR, U.S. JM:

The captioned Appeal is filed by the Revenue and the Cross Objection is filed by the Assessee against the order of the Commissioner of Income Tax Appeal, (Ld. CIT(A) for short) Delhi-23 dated 24/04/2025 pertaining to Assessment Year 2013-14.

2. The Ld. Counsel for the Assessee addressing on the Ground No. 3 of Cross Objection, contended that the assessment order has been passed based on the invalid approval accorded under Section 153D of

the Act. The Ld. AR relying on the various judicial precedents, sought for quashing the assessment order and the order of the Ld. CIT(A). The Ld. Counsel for the Assessee further contended that, the very same approval dated 20/04/2021 was subject to test by the Co-ordinate Bench of the Tribunal in Assessee's own case for Assessment Year 2011-12 and 2012-13 in ITA No. 3617/Del/2025 and 3619/Del/2015, vide order dated 06/03/2026, the Tribunal allowed the Appeals of the Assessee. Thus, sought for allowing the present Appeal pertaining to Assessment Year 2013-14 by following the principals of consistency.

3. Per contra, the Ld. Departmental Representative relying on the orders of the Lower Authorities, sought for dismissal of the Appeal.

4. We have heard the parties perused the material available on record. The assessment has been framed in the year under consideration based on the approval dated 20/04/2021 accorded by Additional Income Tax Commissioner, Central Ragne-1, New Delhi. The very same Approval u/s 153D of the Act and the subsequent assessment orders passed thereupon for Assessment Year 2011-12 and 2012-13 were subject to adjudications in Assessee's own case in ITA No. 3617/Del/2025 and 3619/Del/2025 before the Tribunal and the Co-ordinate Bench of the Tribunal vide order dated 06/03/2026, allowed the Appeals of the Assessee in following manners:-

"8. From examination of record in light of aforesaid rival contention, it is crystal clear that Ld. CIT(A) vide order dated 25.04.2025 confirmed assessment order dated 20.04.2021 of Ld. AO for AY 2011-12. The assessment order dated 20.04.2021 is in pursuance to approval u/s 153D dated 20.04.2021 which is as under:


कार्यालय।
अपर आयकर आयुक्त,
केन्द्रीय रेंज-1 कमरा नंबर 335
ARA केंद्र इंडेवालान एक्सटेंशन, नई दिल्ली-110055

फा.सं. अं.आ.आ./के रे-1/153D/2021-22/119 दिनांक 20/04/2021
सेवा मे,

महायुक्त आयकर आयुक्त
केन्द्रीय वृत्त-4,
नई दिल्ली

विषय: Approval of draft assessment order u/s 153D of the I.T. Act, 1961 in the case of CIFSL Group for A.Y. 2011-12 to 2019-20- regarding -

Please refer to your office letter F.No. ACIT/CC-4/Approval u/s. 153D/2021-22/21 dated 09.04.2021 enclosing therewith draft assessment orders u/s. 153A and u/s. 143(3) of the I.T. Act 1961 for the A.Y. 2011-12 to 2019-20 for approval.

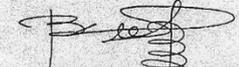
2. In view of discussion made earlier in this case and after perusing the draft assessment orders & case records for A.Y. 2011-12 to 2019-20 submitted by you alongwith your above referred letter, approval u/s. 153D of the Act for A.Y. 2011-12 to 2018-19 is accorded as under:-

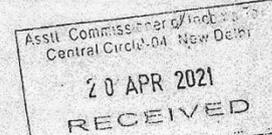
S.No	Name of the Assessee	PAN	A.Y.	Section	Returned Income (Rs.)	Assessed Income (Rs.)
1.	M/s CIFSL	AAACS4742A	2011-12	153A	7,54,400/-	13,91,52,900/-
2.	M/s CIFSL	AAACS4742A	2012-13	153A	12,06,210/-	68,88,110/-
3.	M/s CIFSL	AAACS4742A	2013-14	153A	52,25,450/-	11,35,58,784/-
4.	M/s CIFSL	AAACS4742A	2014-15	153A	2,14,70,120/-	11,58,97,203/-
5.	M/s CIFSL	AAACS4742A	2015-16	153A	52,04,310/-	2,48,91,810/-
6.	M/s CIFSL	AAACS4742A	2016-17	153A	1,17,97,850/-	17,84,02,872/-
7.	M/s CIFSL	AAACS4742A	2017-18	153A	1,31,69,880/-	6,92,21,963/-
8.	M/s CIFSL	AAACS4742A	2018-19	153A	3,29,47,860/-	3,29,77,860/-

3. The Approval accorded by the undersigned u/s. 153D of the Act should be mentioned in the concluding para of the final assessment order and you are directed to ensure that the orders are passed well before the limitation.

4. It is also directed that no order shall be passed without 'DIN' in view of the CBDT's Circular No. 19/2019 dated 14.08.2019.

Encl: Asst. Records for A.Y. 2011-12 to 2019-20


(बी. एस. अनंत) भा. रा. से.
अपर आयकर आयुक्त,
केन्द्रीय रेंज-1, नई दिल्ली


20 APR 2021
RECEIVED

8.1. The Addl. CIT granted approval u/s 153D of the Act dated 20.04.2021 in respect of eight cases by a single order which included multiple years. There is no reference to examination of any assessment record or incriminating material and any

objective reasoning leading to the conclusion, hence, the approval u/s 153D of the Act was granted in a mechanical manner without due application of mind.

8.2 A Co-ordinate Bench of ITAT, Delhi in ITA 2873/Del/2022 titled as Inder Chand Bajaj vs. DCIT in order dated 17.01.2025 held as under:

“6. We have heard both the parties and perused the material available on record. For the purpose of examining the legality or otherwise of the approval accorded u/s 153D of the Act and the consequential assessment proceedings, we shall advert to approval accorded u/s 153D of the Act. The approval accorded u/s 153D of the Act dated 17-12-2019/18-12-2019 granted by Additional Commissioner of Income Tax, Central Range 8, New Delhi to DCIT Central Circle, 32, New Delhi is reproduced as under:-


कायानिय
अपर आयकर आयुक्त, केन्द्रीय रेंज-8,
कमरा संख्या-328 सूचीय तल, ए.आर.ए. सेंटर, भण्डेवालान एक्सटेंशन, नई दिल्ली
दूरभाष-011-23593442

F. No.: Addl.CIT/CR-8/153D/2019-20/51 Dated: 17.12.2019

To, 18.12.2019

The Dy. Commissioner of Income Tax,
Central Circle - 32,
New Delhi.

Sub: Approval u/s 153D of the Income Tax Act, 1961 in case of Bajaj Group- Reg.

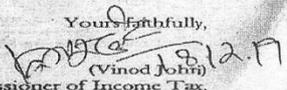
Please refer to your office letter F.No. DCIT/CC-32/153D/2019-20/-12/7 dated 17.12.2019 seeking approval u/s 153D of the Income Tax Act, 1961.

2. On the basis of discussion held from time to time the approval u/s 153D of the Income Tax Act, 1961 is granted in respect of following cases :-

S. No.	Name of the assessee	PAN	Under section	A.Y.
1.	Sh. Inder Chand Bajaj.	ABFPB2238R	153A r.w.s. 143(3)	2012-13
2.	Sh. Inder Chand Bajaj.	ABFPB2238R	153A r.w.s. 143(3)	2013-14
3.	Sh. Inder Chand Bajaj.	ABFPB2238R	153A r.w.s. 143(3)	2014-15
4.	Sh. Inder Chand Bajaj.	ABFPB2238R	153A r.w.s. 143(3)	2015-16
5.	Sh. Inder Chand Bajaj.	ABFPB2238R	153A r.w.s. 143(3)	2016-17
6.	Sh. Inder Chand Bajaj.	ABFPB2238R	153A r.w.s. 143(3)	2017-18
7.	Sh. Inder Chand Bajaj.	ABFPB2238R	143(3) r.w.s. 153A	2018-19

Assessment records are returned.

Dy. Commissioner of Income Tax
Central Circle-32, New Delhi
18 DEC 2019 1195
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Yours faithfully,

(Vinod Johni)
Addl. Commissioner of Income Tax,
Central Range - 8, New Delhi.

7. On a perusal of the approval dated 17/18-12-2019 addressed by the Addl. CIT, Central Range-8, New Delhi to the AO, it emerges that the Addl. CIT, has not uttered a single word on the subject matter of additions. The approval is in the nature of Performa approval; the approval granted is nothing but mechanical one and the approving authority has exercised

symbolic powers vested under s. 153D of the Act. Apart from the same, a single approval has been granted for seven Assessment Years in total.

8 The Hon'ble Jurisdictional High Court in the case of Pr. Commissioner of Income Tax Vs. Shiv Kumar Nayyar (supra) held as under:-

"11. A plain reading of the aforesaid provision evinces an uncontrived position of law that the approval under Section 153D of the Act has to be granted for "each assessment year" referred to in clause (b) of subsection (1) of Section 153A of the Act. It is beneficial to refer to the decision of the High Court of Judicature at Allahabad in the case of PCIT v. Sapna Gupta [2022 SCC OnLine All 1294] which captures with precision the scope of the concerned provision and more significantly, the import of the phrase- "each assessment year" used in the language of Section 153D of the Act. The relevant paragraphs of the said decision are reproduced as under:-

"13. It was held therein that if an approval has been granted by the Approving Authority in a mechanical manner without application of mind then the very purpose of obtaining approval under Section 153D of the Act and mandate of the enactment by the legislature will be defeated. For granting approval under Section 153D of the Act, the Approving Authority shall have to apply independent mind to the material on record for "each assessment year" in respect of "each assessee" separately. The words 'each assessment year' used in Section 153D and 153A have been considered to hold that effective and proper meaning has to be given so that underlying legislative intent as per scheme of assessment of Section 153A to 153D is fulfilled. It was held that the "approval" as contemplated under 153D of the Act, This is a digitally signed order. The authenticity of the order can be re-verified from Delhi High Court Order Portal by scanning the QR code shown above. The Order is downloaded from the DHC Server on 20/05/2024 at 21:34:51 requires the approving authority, i.e. Joint Commissioner to verify the issues raised by the Assessing Officer in the draft assessment order and apply his mind to ascertain as to whether the required procedure has been followed by the Assessing Officer or not in framing the assessment. The approval, thus, cannot be a mere formality and, in any case, cannot be a mechanical exercise of power.

19. The careful and conjoint reading of Section 153A(1) and Section 153D leave no room for doubt that approval with

respect to "each assessment year" is to be obtained by the Assessing Officer on the draft assessment order before passing the assessment order under Section 153A." [Emphasis supplied]

12. *It is observed that the Court in the case of Sapna Gupta (supra) refused to interdict the order of the ITAT, which had held that the approval under Section 153D of the Act therein was granted without any independent application of mind. The Court took a view that the approving authority had wielded the power to accord approval mechanically, inasmuch as, it was humanly impossible for the said authority to have perused and appraised the records of 85 cases in a single day. It was explicitly held that the authority granting approval has to apply its mind for "each assessment year" for "each assessee" separately.*

13. *Reliance can also be placed upon the decision of the Orissa High Court in the case of Asst. CIT v. Serajuddin and Co. [2023 SCC OnLine Ori 992] to understand the exposition of law on the issue at hand. Paragraph no.22 of the said decision reads as under:-*

"22. As rightly pointed out by learned counsel for the assessee there is not even a token mention of the draft orders having been perused by the Additional Commissioner of Income-tax. The letter simply grants an approval. In other words, even the bare minimum requirement of the approving authority having to indicate what the thought process involved was is missing in the aforementioned approval order. While elaborate reasons This is a digitally signed order.

The authenticity of the order can be re-verified from Delhi High Court Order Portal by scanning the QR code shown above. The Order is downloaded from the DHC Server on 20/05/2024 at 21:34:51 need not be given, there has to be some indication that the approving authority has examined the draft orders and finds that it meets the requirement of the law. As explained in the above cases, the mere repeating of the words of the statute, or mere "rubber stamping" of the letter seeking sanction by using similar words like "seen" or "approved" will not satisfy the requirement of the law. This is where the Technical Manual of Office Procedure becomes important. Although, it was in the context of section 158BG of the Act, it would equally apply to section 153D of the Act. There are three or four requirements that are mandated therein, (i) the Assessing Officer should submit the draft assessment order "well in time". Here it was submitted just

two days prior to the deadline thereby putting the approving authority under great pressure and not giving him sufficient time to apply his mind ; (ii) the final approval must be in writing ; (iii) the fact that approval has been obtained, should be mentioned in the body of the assessment order."
[Emphasis supplied]

14. *During the course of arguments, learned counsel for the assessee apprised this Court that the Special Leave Petition preferred by the Revenue against the decision in the case of Serajuddin (supra), came to be dismissed by the Supreme Court vide order dated 28.11.2023 in SLP (C) Diary no. 44989/2023.*

15. *A similar view was taken by this Court in the case of Anuj Bansal (supra), whereby, it was reiterated that the exercise of powers under Section 153D cannot be done mechanically. Thus, the salient aspect which emerges from the abovementioned decisions is that grant of approval under Section 153D of the Act cannot be merely a ritualistic formality or rubber stamping by the authority, rather it must reflect an appropriate application of mind.*

16. *In the present case, the ITAT, while specifically noting that the approval was granted on the same day when the draft assessment orders were sent, has observed as under:-*

"10. We have gone through the approval granted by the ld. Addl. CIT on 30.12.2018 u/s 153D of the Act which is enclosed at page 36 of the paper book of the assessee. The said letter clearly states This is a digitally signed order.

The authenticity of the order can be re-verified from Delhi High Court Order Portal by scanning the QR code shown above. The Order is downloaded from the DHC Server on 20/05/2024 at 21:34:51 that a letter dated 30.12.2018 was filed by the ld. AO before the ld. Addl. CIT seeking approval of draft assessment order u/s 153D of the Act. The ld. Addl. CIT has accorded approval for the said draft assessment orders on the very same day i.e., on 30.12.2018 for seven assessment years in the case of the assessee and for seven assessment years in the case of Smt. Neetu Nayyar. It is also pertinent in this regard to refer to pages 68 and 69 of the paper book which contains information obtained by Smt. Neetu Nayyar from Central Public Information Officer who is none other than the ld. Addl. Commissioner of Income-tax, Central Range-S, New Delhi, under Right to Information Act, wherein, it reveals

that the ld. Addl. CIT had granted approval for 43 cases on 30.12.2018 itself. This fact is not in dispute before us. Of these 43 cases, as evident from page 36 of the paper book which contains the approval u/s 153D, 14 cases pertained to the assessee herein and Smt. Neetu Nayyar. The remaining cases may belong to some other assessees, which information is not available before us. In any event, whether it is humanly possible for an approving authority like ld. Addl. CIT to grant judicious approval u/s 153D of the Act for 43 cases on a single day is the subject matter of dispute before us. Further, section 153D provides that approval has to be granted for each of the assessment year whereas, in the instant case, the ld. Addl. CIT has granted a single approval for all assessment years put together."

17. Notably, the order of approval dated 30.12.2020 which was produced before us by the learned counsel for the assessee clearly signifies that a single approval has been granted for AYs 2011-12 to 2017-18 in the case of the assessee. The said order also fails to make any mention of the fact that the draft assessment orders were perused at all, much less perusal of the same with an independent application of mind. Also, we cannot lose sight of the fact that in the instant case, the concerned authority has granted approval for 43 cases in a single day which is evident from the findings of the ITAT, succinctly encapsulated in the order extracted above."

9. The Hon'ble Orissa High Court in the case of ACIT vs Serajuddin & Co. 454 ITR 312 (Orissa) had an occasion to examine substantial question of law on the propriety of approval granted under s. 153D of the Act. The Hon'ble High Court made wide ranging observations towards the manner and legality of approval under s. 153D of the Act by observing that the approval under s. 153D of the Act being mandatory, while elaborate reasons need not be given, there has to be some indication that approving authority has examined draft orders and finds that it meets the requirement of law. The approving authority is expected to indicate his thought process while granting approval, held that it is not correct on the part of the Revenue to contend that the approval itself is not justifiable. Where the Court finds that the approval is granted mechanically, it would vitiate the assessment order itself. The Hon'ble High Court inter-alia observed that there is no even a token mention that draft order has been perused by the Ld. Addl. CIT. The approval letter

simply grants approval. In other words, even the bare minimum requirement of approving authority having to indicate what thought process involved leading to the aforementioned approval has not been provided. As explained, the mere repeating of words of the Statue or mere rubber stamping of the communication seeking sanction by using similar words like 'approval' will not, by itself, meet the requirement of law. The Hon'ble Court made reference to manual issued by the CBDT in the context of erstwhile section 158BG of the Act and observed that such manual serves as a guideline to the AOs. Since it was issued by CBDT, the powers of issuing such guidelines can be traced to section 119 of the Act. The Hon'ble High Court also held that non-compliance of requirement of section 153D of the Act is not a mere procedural irregularity and lapse committed by Revenue may vitiate the assessment order. The SLP filed against the aforesaid judgment in the case of ACIT vs Serajuddin & Co. Kolkata was dismissed as reported in (2024) 163 taxmann.com 118 (SC).

10. The ratio of judgement delivered in the case of ACIT vs Serajuddin & Co. Kolkata; PCIT vs Anuj Bansal; PCIT vs Shiv Kumar Nayyar; and PCIT vs Subhash Dabas (supra) has held in chorus that the approval granted under s. 153D of the Act, if granted mechanically, will vitiate the assessment order itself." 8.3. In view of above materials facts and well settled of principle of law, the exercise of jurisdiction by Ld. AO u/s 153A r.w.s. 143(3) of the Act in pursuance to common approval order u/s 153D dated 20.04.2021 being mechanical in manner without due application of kind is illegal. Therefore, impugned orders dated 25.04.2025 of Ld. CIT(A) and 20.04.2021 of Ld. AO are set aside. The grounds of appeal Nos. 1 & 2 are accepted and Grounds of appeal Nos 3 to 9 are being not pressed are left open. The appeal ITA No.3617/Del/2015 is allowed. ITA No.3619/Del/2025 for Assessment Year 2012-13."

5. By respectfully following the order of the Tribunal (supra) in Assessee's own case for Assessment Year 2011-12 and 2012-13, we allow the Ground No. 3 of the Cross Objection filed by the Assessee and quash the subject assessment order. Since, we have quashed the assessment order on the ground of invalid and mechanical approval

u/s 153D of the Act, the Appeal filed by the Revenue challenging the deletion of the addition made by the Ld. CIT(A) on merits requires no adjudication.

6. In the result, Cross Objection No. 270/Del/2025 filed by the Assessee is allowed and the Appeal filed by the Revenue in ITA No. 4806/Del/20215 is dismissed.

Order pronounced in the open court on 18th March, 2026

Sd/-

(MANISH AGARWAL)
ACCOUNTANT MEMBER

Date:- 18.03.2026

Reshma Naheed, Sr.P.S

Copy forwarded to:

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

Sd/-

(YOGESH KUMAR U.S.)
JUDICIAL MEMBER

ASSISTANT REGISTRAR
ITAT, NEW DELHI