

**IN THE INCOME TAX APPELLATE TRIBUNAL,
MUMBAI BENCH "D", MUMBAI**

**BEFORE SHRI NARENDER KUMAR CHOUDHRY, JUDICIAL MEMBER
And
SHRI PRABHASH SHANKAR, ACCOUNTANT MEMBER**

**ITA No.1591/M/2025
Assessment Year: 2016-17**

Dinyar Sam Hathikhanawala, 5 th Floor, R. No.52, Noor Mahal, Sir Ratan Tata Road, Tardeo, Mumbai - 400034 PAN – ABSPH7786F	Vs.	DCIT Circle 19 (1), Piramal Chambers, Dr. SS Rao Marg, Parel, Mumbai – 400012.
(Appellant)		(Respondent)

Present for:

Assessee by : Shri Bharat Kumar, Sr. A.R.
Revenue by : Shri Umashankar Prasad, Ld. CIT D.R. &
Shri Annavaram Kosuri, Sr. D.R.

Date of Hearing : 17.03.2026

Date of Pronouncement : 06.04.2026

O R D E R

Per : Narender Kumar Choudhry, Judicial Member:

This appeal has been preferred by the Assessee against the order dated 07.01.2025, impugned herein, passed by the National Faceless Appeal Centre (NFAC)/Ld. Commissioner of Income Tax (Appeals) (in short Ld. Commissioner) u/s 250 of the Income Tax Act, 1961 (in short 'the Act') for the A.Y. 2016-17.

2. In the instant case, the AO reopened the case of the Assessee after elapsing a period of 3 years from the end of assessment year and vide assessment order dated 30.05.2023 has made the addition of Rs.1,37,12,276/- being unexplained investment under Section 69 of the Act on the basis of reopening of assessment proceedings by issuing a notice dated 29.07.2022 under Section 148 of the Act and

getting sanction from the Ld. PCIT-17, Mumbai but, not from the Ld. PCCIT as mandated/required under the provision of Section 151 (ii) of the Act and therefore, the impugned notice dated 21.07.2022 under Section 148 of the Act along with the assessment order under consideration is liable to be quashed, specifically in view of the judgment by the Hon'ble Jurisdictional High Court in the case of *Cipla Pharma and Life Sciences Ltd. Vs. Dy. Commissioner of Income Tax (2024) 164 taxmann.com 663 (Bombay)*, wherein the Hon'ble High Court has not only dealt with the same assessment year but also the identical notice issued under Section 148 of the Act and ultimately, quashed the said notice, by observing and holding as under:

"9. The record clearly indicates that the sanction in the present case was issued by the Principal Commissioner which can only be in respect of cases if three years or less than three years have elapsed from the end of the relevant assessment year, as would fall under the provisions of clause (i) of Section 151 of the Act. As in the present case the assessment year in question is 2016-17 and the impugned notice itself has been issued on 30 July, 2022, it is issued after a period more than 3 years having elapsed from the end of the said assessment year, hence, clause (ii) of Section 151 of the Act was applicable, which required the sanction to be issued by either Principal Chief Commissioner or Principal Director General or where there is no Principal Chief Commissioner or Principal Director General, Chief Commissioner or Director General for issuance of notice under Section 148 of the Act.

10. As rightly pointed out at the bar, such issue fell for consideration of the Division Bench of this Court in Section 151 of the Act read with the provisions of Section 148A(b), the latter provision clearly providing that Siemens Financial Services Pvt. Ltd. (supra), wherein the Division Bench considered the provisions of prior to issuance of any notice under Section 148 of the Act, the assessing officer shall provide an opportunity of being heard to the assessee only after considering the cumulative effect of Section 148A(b) read with Section 151 of the Act and as provided under sub-clause (d), the assessing officer shall decide on the basis of material available on record including reply of the assessee, whether or not it is a fit case to issue a notice under Section 148 by passing an order, with the prior approval of specified authority within one month from the end of the month in which the reply is received. It is held that the sanction of the specified authority has to be obtained in accordance with the law existing when the sanction is obtained and, therefore, the sanction is required to be obtained by applying the amended

section 151(ii) of the Act and since the sanction has been obtained in terms of section 151(i) of the Act, the impugned order and impugned notice are bad in law and should be quashed and set aside.

3. Thus, on the aforesaid analyzation, the notice dated 21.07.2022 along with assessment order dated 30.05.2023 under Section 147 read with Section 144B of the Act, stand quashed.

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

Order pronounced in the open court on 06.04.2026.

**Sd/-
(PRABHASH SHANKAR)
ACCOUNTANT MEMBER**

**Sd/-
(NARENDER KUMAR CHOUDHRY)
JUDICIAL MEMBER**

Tarun Kushwaha
Sr. Private Secretary.

Copy to: The Appellant
The Respondent
The CIT, Concerned, Mumbai
The DR Concerned Bench

//True Copy//

By Order

Dy/Asstt. Registrar, ITAT, Mumbai.