

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH 'A', NEW DELHI**

**BEFORE SHRI MAHAVIR SINGH, HON'BLE VICE-PRESIDENT  
&  
MRS. RENU JAUHRI, HON'BLE ACCOUNTANT MEMBER**

**ITA No. 6210/DEL/2025; A.Y.: 2016-17**

<b>Shri Naval Seth (L/H Late Sh. Ghansham Dass Seth) M-90, Greater Kailash-I Delhi-48</b>	<b>Vs</b>	<b>ACIT Circle-28(1) Civic Centre, Delhi</b>
<b>(APPELLANT)</b>		<b>(RESPONDENT)</b>
<b>PAN No. AQOPS6274N</b>		

Assessee by : Ms. Mansi Jain, Adv;  
Shri Sidharth Bajaj, Adv;  
Shri Tanishq Ahuja, Adv.

Revenue by : Shri Ajay Kumar Arora, Sr. DR

<b>Date of Hearing: 06.01.2026</b>	<b>Date of Pronouncement: 06.01.2026</b>
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**ORDER**

**PER RENU JAUHRI :**

The above captioned appeal is preferred before the Tribunal against the order dated 13.02.2025, passed by Ld. CIT(A), National Faceless Appeal Centre (for short, NFAC), Delhi u/s 250 of the Income Tax Act, 1961 (hereinafter referred to as, "Act"), in Appeal No. NFAC/2015-16/10263347 for A.Y. 2016-17.

2. At the threshold, it is noted that the Appeal is time-barred by 154 days. The assessee has filed petition for condonation of delay along with an affidavit wherein it has been explained that the delay was due to *Bonafide* reasons and the assessee being senior citizen with limited knowledge of income tax proceedings and, not having requisite proficiency technologically could not keep track of the notices as well as the orders issued by the NFAC. Subsequently, while filing the return of income, the assessee's Chartered Accountant noticed from the Income Tax Portal that the Appellate Tribunal had been passed nearly five months ago. Thereafter, immediate steps were taken by the assessee to file the appeal which resulted in the delay of 154 days. After hearing both the parties, we are of the view that the reasons of delay are genuine and, hence, the delay is hereby condoned.

3. The Assessee has raised following grounds of Appeal which are reproduced as below:

- “1. On the facts and circumstances of the case, the order passed by the National Faceless Appeal Centre (NFAC) is bad both in the eye of law and on facts.*
- 2. On the facts and circumstances of the case, NFAC has erred both on facts and in law in confirming the order passed by the A.O., despite the same being initiated in violation of the statutory conditions of the Act and the procedure prescribed under the law and as such the same is bad in the eye of law and liable to be quashed.*
- 3. On the facts and circumstances of the case, NFAC has erred both on facts and in law in confirming the order passed by the A.O., despite the same being initiated without proper approval as mandated under section 151(ii) of the Act.*
- 4. On the facts and circumstances of the case, NFAC has erred both on facts and in law in confirming the order passed by the A.O., despite the same having been passed in pursuance of a notice under section 148 having been issued in the name of a deceased person which is not permissible in law.*

5. *On the facts and circumstances of the case, the NFAC has erred both on facts & in law in confirming the addition of an amount of Rs. 11,74,63,000/-made by Assessing Officer on account of bank credits.*
6. *On the facts and circumstances of the case, the NFAC has erred both on facts & in law in confirming the addition of Rs. 53,40,000/- made by the Assessing Officer on account of cash withdrawals.*
7. *On the facts and circumstances of the case, NFAC has erred both on facts and in law in confirming the action of the AO without giving a proper opportunity of being heard in clear violation of the principle of natural justice.*
8. *The appellant craves leave to add, amend or alter any of the grounds of appeal.”*

4. Brief facts of the case are that the assessee Late Shri Ghansham Dass Seth had not filed its return for A.Y. 2016-17. An order u/s 148A(d) was passed on 31.07.2022 as there were various cash deposits and withdrawals in the assessee's joint account and income arising out of these transactions had not been offered for taxation as no return was filed. Subsequent notice u/s148 was also issued on 31.07.2022. Assessment was finalized in the name of the legal heir Shri Naval Seth u/s 147 r.w.s. 144, vide order dated 31.05.2023 at an assessed income of Rs. 12,28,03,000/-. Aggrieved, the assessee preferred an appeal before Ld. CIT(A). Since no compliance was made to the notices issued by Ld. CIT(A), he dismissed the appeal of the assessee vide order dated 13.02.2025. Further aggrieved, the assessee preferred an appeal before the Tribunal.

4.1 Although the assessee has raised multiple grounds, we, first take up the legal ground regarding lack of valid approval u/s 151(ii) of the Act. It has been submitted by the Ld. AR that after 01.04.2021, the amended section 151 provided for approval of the Principal Commissioner Income Tax [in short, PCCIT], if more than three years have elapsed from the end of the relevant assessment which is the case here. The Ld. AR has further placed reliance on the decision of the Hon'ble Apex Court in the case of *UOI & Ors. Vs Rajeev Bansal [2024] 469 ITR 46 (SC)* wherein this issue has been dealt with in detail and the decision has been followed by the Hon'ble Jurisdictional High Court as well as several Co-ordinate Benches of the Tribunal. On the other hand, Ld. DR has placed reliance on the orders of the lower authority.

5. We have heard the rival submissions and carefully perused the material placed on record. Admittedly, the order u/s 148A(d) as well as the consequent notice u/s 148 of the Act have been issued on 31.07.2022 with the approval of Principal Commissioner Income Tax [for short, PCIT]- 10 Delhi. The Hon'ble Apex Court in the case of *Rajeev Bansal (supra)* have discussed and decided the issue of approval as under:

“ **iii. Sanction of the specified authority**

*73. Section 151 imposes a check upon the power of the Revenue to reopen assessments. The provision imposes a responsibility on the Revenue to ensure that it obtains the sanction of the specified authority before issuing a notice under Section 148. The purpose behind this procedural check is to save the assesses from*

*harassment resulting from the mechanical reopening of assessments. 128 A table representing the prescription under the old and new regime is set out below:*

*74. The above table indicates that the specified authority is directly co-related to the time when the notice is issued. This plays out as follows under the old regime:*

*(i) If income escaping assessment was less than Rupees one lakh: (a) a reassessment notice could be issued under Section 148 within four years after obtaining the approval of the Joint Commissioner, and (b) no notice could be issued after the expiry of four years; and*

*(ii) If income escaping was more than Rupees one lakh: (a) a reassessment notice could be issued within four years after obtaining the approval of the Joint Commissioner; and (b) after four years but within six years after obtaining the approval of the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner.*

*75. After 1 April 2021, the new regime has specified different authorities for granting sanctions under Section 151. The new regime is beneficial to the assessee because it specifies a higher level of authority for the grant of sanctions in comparison to the old regime. Therefore, in terms of Ashish Agarwal (supra), after 1 April 2021, the prior approval must be obtained from the appropriate authorities specified under Section 151 of the new regime. The effect of Section 151 of the new regime is thus:*

*(i) If income escaping assessment is less than Rupees fifty lakhs: (a) a reassessment notice could be issued within three years after obtaining the prior approval of the Principal Commissioner, or Principal Director or Commissioner or Director; and (b) no notice could be issued after the expiry of.*

*(ii) If income escaping assessment is more than Rupees fifty lakhs: (a) a reassessment notice could be issued within three years after obtaining the prior approval of the Principal Commissioner, or Principal*

*Director or Commissioner or Director, and (b) after three years after obtaining the prior approval of the Principal Chief Commissioner or Principal Director General or Chief Commissioner or Director General.*

76. *Grant of sanction by the appropriate authority is a precondition for the assessing officer to assume Jurisdiction under Section 148 to issue a reassessment notice Section 151 of the new regime does not prescribe a time limit within which a specified authority has to grant sanction. Rather, it links up the time limits with the jurisdiction of the authority to grant sanction. Section 151(ii) of the new regime prescribes a higher level of authority if more than three years have elapsed from the end of the relevant assessment year. Thus, non-compliance by the assessing officer with the strict time limits prescribed under Section 151 affects their jurisdiction to issue a notice under Section 148.*

77. *Parliament enacted TOLA to ensure that the interests of the Revenue are not defeated because the assessing officer could not comply with the preconditions due to the difficulties that arose during the COVID-19 pandemic Section 3(1) of TOLA relaxes the time limit for compliance with actions that fall for completion from 20 March 2020 to 31 March 2021. TOLA will accordingly extend the time limit for the grant of sanction by the authority specified under Section 151. The test to determine whether TOLA will apply to Section 151 of the new regime is this if the time limit of three years from the end of an assessment year falls between 20 March 2020 and 31 March 2021, then the specified authority under Section 151(1) has an extended time till 30 June 2021 to grant approval. In the case of Section 151 of the old regime, the test is if the time limit of four years from the end of an assessment year falls between 20 March 2020 and 31 March 2021, then the specified authority under Section 151(2) has time till 31 March 2021 to grant approval. The time limit for Section 151 of the old regime expires on 31 March 2021 because the new regime comes into effect on 1 April 2021.*

78. *For example, the three year time limit for assessment year 2017-2018 falls for completion on 31 March 2021. It falls during*

*the time period of 20 March 2020 and 31 March 2021, contemplated under Section 3(1) of TOLA. Resultantly, the authority specified under Section 151(i) of the new regime can grant sanction till 30 June 2021. ”*

6. Respectfully following the decision of the Hon’ble Apex Court, we hold that the order u/s 148A(d) as well as the notice u/s 148 have been issued without the requisite approval of the PCCIT/CCIT as mandated u/s 151(ii) of the Act and, is, therefore, liable to be quashed.

7. As the notice u/s 148 has been quashed, rest of the grounds raised by the assessee are rendered infructuous and, hence, are not being adjudicated upon.

8. In the result, the appeal of the assessee is allowed.

Order pronounced in the Open Court on 06-01-2026.

**Sd/-**  
**(MAHAVIR SINGH)**  
**Vice-President**

**Sd/-**  
**(RENU JAUHRI)**  
**Accountant Member**

Dated: 09.01.2026

Pooja Mittal

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asstt. Registrar, ITAT, New Delhi