

आयकर अपीलीय अधिकरण, चण्डीगढ़ न्यायपीठ, चण्डीगढ़
IN THE INCOME TAX APPELLATE TRIBUNAL
DIVISION BENCH, 'B' CHANDIGARH

BEFORE SHRI RAJPAL YADAV, VICE PRESIDENT AND
SHRI MANOJ KUMAR AGGARWAL, ACCOUNTANT MEMBER

आयकर अपील सं./ ITA No. 1112/CHD/2025

निर्धारण वर्ष / Assessment Year: 2018-19

Priya Pahwa, 66-D, Model Town Extension, Ludhiana.	Vs	The ITO, Ludhiana.
स्थायी लेखा सं./PAN NO: BMTPP8544G		
अपीलार्थी/Appellant		प्रत्यर्थी/Respondent

Assessee by : Ms. Rano Jain, Advocate and
Ms. Mansi Jain, Advocate
Revenue by : Dr. Ranjit Kaur, Addl. CIT Sr.DR

Date of Hearing : 12.02.2026
Date of Pronouncement : 20.02.2026

HYBRID HEARING

ORDER

PER RAJPAL YADAV, VP

The assessee is in appeal before the Tribunal against the order of ld. Commissioner of Income Tax (Appeals) [in short 'the CIT (A)'] dated 04.07.2025 passed for assessment year 2018-19.

2. Though the assessee has taken four grounds of appeal but she has raised an additional ground whereby

she pleaded that order passed u/s 148A(d) and thereafter notice issued u/s 148 is without jurisdiction because a prior approval ought to have been taken from Chief Commissioner whereas AO has taken this approval from the PCIT, hence, impugned re-assessment order is not sustainable. In support of her contention, she relied upon decision of the Hon'ble Supreme Court in UOI Vs Rajeev Bansal, Civil Appeal No. 8629 of 2024.

3. With the assistance of ld. Representative, we have gone through the record carefully. Since assessee has raised a jurisdictional issue which goes to the root of the dispute and ultimately will affect taxability of the assessee, therefore, relying upon judgement of the Hon'ble Supreme Court in the case of NTPC Vs CIT 229 ITR 383, we permit the assessee to raise this additional ground of appeal and proceed to decide it on merit.

4. The ld. counsel for the assessee, while impugning the orders of Revenue Authority, submitted that a notice u/s 148A was issued on 23.03.2022. Copy of this notice is available on page 1 of the Paper Book filed alongwith the

application for permission to raise additional ground of appeal. The ld. AO, therefore, passed an order u/s 148A sub-clause (d) on 07.04.2022. The ld. AO in the last paragraph of this order has observed as under :

“It is a fit case for issuance of a notice u/s 148 to bring that escaped income to tax. This order is passed with the prior approval of the Pr. CIT-1, Ludhiana. Accordingly, a notice u/s 148 is being issued on 07.04.2022 whose copy is attached on page 9 of this Paper Book.”

5. She took us through Section 148A sub-clause (a) to (d) and Section 151 of the Act. She submitted that for passing an order u/s 148A sub-clause (d), AO is required to take prior approval from the specified authority and only thereafter can issue notice u/s 148. The specified authorities are provided in Section 151. If Section 151 is being perused, then it would show that if three years from the end of the assessment year is expired, then such approval is to be taken from the Chief Commissioner of Income Tax, whereas in the present case, such approval has been taken from the Pr. Commissioner of Income Tax.

In support of her contention, she relied upon judgements of Hon'ble Telangana High Court in the case of Deloitte Consulting India Pvt. Ltd. Vs Assessment Unit 9 TMI 1632, Writ Petition No. 4061 of 2024. Hon'ble Telangana High Court has decided this Writ Petition on 25.09.2025. She also relied upon the judgement of ITAT in M/s Genpact India 1527/Del/2027.

5.1 On the other hand, ld. DR contended that approval was taken from the Pr. CIT because when notice under Section 148A(a) was issued, three years have not expired. The re-assessment proceedings were initiated after taking approval from the competent authority.

6. With the assistance of ld. Representative, we have gone through the record carefully. Section 148A clause (d) and Section 151 has a direct bearing, therefore, we take note of both these clauses :

148A. The Assessing Officer shall, before issuing any notice under section 148,—

(a) conduct any enquiry, if required, with the prior approval of specified authority, with respect to the information which suggests that the income chargeable to tax has escaped assessment;

(b) x x

(c) x x

(d) 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 referred to in clause (c) is received by him, or where no such reply is furnished, within one month from the end of the month in which time or extended time allowed to furnish a reply as per clause (b) expires:

x x

151. Sanction for issue of notice.

Specified authority for the purposes of section 148 and section 148A shall be,-

(i) Principal Commissioner or Principal Director or Commissioner or Director, if three years or less than three years have elapsed from the end of the relevant assessment year;

(ii) Principal Chief Commissioner or Principal Director General or where there is no Principal Chief Commissioner or Principal Director General, Chief Commissioner or Director General, if more than three years have elapsed from the end of the relevant assessment year.]

Provided that the period of three years for the purposes of clause (i) shall be computed after taking into account the period of limitation as excluded by the third or fourth or fifty provisos or extended by the sixth proviso to sub-section (1) of Section 149.

7. A bare perusal of above provisos would indicate that while issuing notice u/s 148A or inviting objections of the assessee under sub-clause (b), AO was not only required to take approval from the 'specified authority' but while passing order u/s 148A sub-clause (d), the AO has to

obtain fresh approval. The simple reason is that after issuance of a notice and inviting objections of the assessee, if AO is satisfied that no re-opening is to be made, then he can drop the proceedings. In such situation, both the approvals, under sub-clause (a) as well as sub-clause (d) of Section 148A are separate approvals.

7.1 If we peruse Section 151, then it would indicate that within three years from the end of the relevant assessment year, approval is to be taken from PCIT but after three years, it has to be taken from the Chief Commissioner of Income Tax. In the present case, when notice was issued before 31.03.2022, three years have not expired, therefore approval was in accordance with Section 151 but when 148A sub-clause (d) order was passed, notice u/s 148 was issued on 07.04.2022, by that time, three years have expired. Therefore, approval ought to have been taken from the Chief Commissioner of Income Tax. This approval has not been taken by the AO, therefore, re-opening is not in accordance with law. Accordingly, we

allow this additional ground of appeal and quash the re-assessment order.

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

Order pronounced on 20.02.2026.

Sd/-

(MANOJ KUMAR AGGARWAL)
ACCOUNTANT MEMBER

Sd/-

(RAJPAL YADAV)
VICE PRESIDENT

“Poonam”

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

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent
3. आयकर आयुक्त/ CIT
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, चण्डीगढ़/ DR, ITAT, CHANDIGARH
5. गार्ड फाईल/ Guard File

सहायक पंजीकार/ Assistant Registrar