

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

**BEFORE SH. S. RIFUR RAHMAN, ACCOUNTANT MEMBER  
AND  
SH. SUDHIR KUMAR, JUDICIAL MEMBER**

ITA No.3844/Del/2025  
Assessment Year: 2011-12

M/S SUN ITECH AND BROADCAST PRIVATE LIMITED, ' 40/16, EAST PATEL NAGAR, NEW DELHI – 110 008 (PAN: AANCS5090A)	<b>Vs</b>	ITO, WARD 24(1), DELHI
<b>(APPELLANT)</b>		<b>(RESPONDENT)</b>

Appellants by	Shri Ved Jain, Adv. & Ms. Uma Upadhyay, Adv.
Respondent by	Ms. Harpreet Kaur Hansra, Sr. DR.

Date of hearing:	06/01/2026
Date of Pronouncement:	14/01/2026

**ORDER**

**PER SUDHIR KUMAR, JM:**

This appeal by the assessee is directed against the order of National Faceless Appeal Centre, Delhi, [hereinafter referred to as "NFAC"], vide order dated 26.05.2025 pertaining to A.Y. 2011-12 arising out of the assessment order dated 27.12.2008 passed by the Assessing Officer under Section 147/143(3) of the Income Tax Act, 1961 [hereinafter referred as 'the Act']. The

assessee has raised as many as 11 grounds of appeal on jurisdiction as well as on merits. But, only argued the legal issue raised vide ground no. 6 which reads as under:-

*“6. (i) On the facts and circumstances of the case, Ld. CIT(A) has erred both on facts and in law, despite the fact that the reassessment proceedings initiated by the AO without obtaining valid statutory prior approval of the prescribed authority as per section 151 of the Act is bad in law and liable to be quashed.*

*(ii) That the purported approval u/s. 151 of the Act is illegal, bad in law and also without application of mind.*

2. The brief facts of the case are that the assessee filed its return of income for assessment year 2011-12 on 18.11.2011 declaring nil income. The return was processed u/s. 143(1) of the Income Tax Act, 1961 on 21.01.2012. AO noted that his office has received a letter from DDIT (Inv.)-I, Gurugram which stated that “M/s Sun Itech and Broadcast Pvt. Ltd. Had received loan / advance worth Rs. 7,00,00,000/- from M/s Passion Realtech Ltd. It is also stated that M/s Passion Realtech Pvt. Ltd. Is nothing but dummy / benami companies of M3M Group and no actual business is being done by these companies. After conducting enquiry of the registered address, directors and shareholders, allegations leveled were found

prima facie true. Shri Virjesh Kumar Singh and Shri Nagendra Kumar are the directors of the company and do not file any return and even no income is shown by the company (M/s Passion Realtech Pvt. Ltd.) as well, statement of Shri Vrijesh Kumar Singh one of the directors of M/s Passion Realtech Pvt Ltd. was also recorded during the search conducted on M3M group wherein Shri Vrijesh Kumar Singh admitted the he works as security guard in M3M since last 8 years for salary @Rs. 8750/- per month. Accordingly, requisite statutory show notices were issued to the assessee and in response thereof, the assessee filed his reply. After considering the same, AO noted that the assessee has failed to establish that the loan / advance received by the assessee company is a fair business transaction, which establishes that these transactions were not genuine transactions but sham transactions wherein the company M/s Sun Itech and Broadcast Pvt Ltd. has brought back its own unaccounted money with the help of entry provider in the loan / advances having modus operandi of circulating unaccounted money by the complex web of circular transactions to make it legitimate. He observed that assessee has failed to establish the identity, genuineness and creditworthiness of the transactions of receiving Rs. 7,00,00,000/- in the form of loan / advance. Accordingly, he added the addition of Rs. 7,00,00,000/- u/s. 68 of the Act in the hands of the assessee and also added the entry operators charged commission @2% to provide these

accommodation entries amounting to Rs. 14,00,000/- u/s. 69C of the Act.

3. Aggrieved by the order of the AO the assessee filed the appeal before the Ld.CIT(A), who vide his order dated 26-5-2025 dismissed the appeal against which the assessee is in appeal before the Tribunal.

4. The Ld. AR for the assessee submitted that *Ld. CIT(A) has erred both on facts and in law, despite the fact that the reassessment proceedings initiated by the AO without obtaining valid statutory prior approval of the prescribed authority as per section 151 of the Act is bad in law and liable to be quashed. He further submitted that the purported approval u/s. 151 of the Act is illegal, bad in law and also without application of mind. To support his aforesaid contention, he relied upon the following decisions:-*

(i) *Capital Broadways Pvt Ltd. vs ITO 2024 (10) TMI 311 (DHC).*

ii) *CIT, Jabalpur vs. M/s Goyanka Lime and Chemicals Ltd. 2015 (5) TMI 217 (MP – High Court).*

iii) *CIT, Jabalpur vs. M/s Goyanka Lime and Chemicals Ltd. 2015 (12) TMI 1334- (SC)*

iv) *Rajan Rajesh Kumar vs. ACIT 2024 (2) TMI 541 – ITAT Delhi*

v) *Nikita Mahajan v ITO 2025 (1) TMI 1292.*

5. Ld. Authorized Representative of the Revenue relied upon the orders of the below authorities. She submitted that the approval

was granted in a prescribed manner after perusing the material.

6. We have heard the revival contention of the parties and gone through the material available on record. We find that in the instant case approval for issue of notice u/s. 148 was granted in a mechanical manner by the PCIT-8, New Delhi by only making mentioned the word “Approved” which is bad in law and resultantly the re-assessment proceedings initiated based on such approval is bad in law. Our aforesaid view is fortified by the following decisions:-

- *Capital Broadways Pvt Ltd. vs ITO 2024 (10) TMI 311 (DHC). Wherein, it has been held that the satisfaction arrived at by the concerned officer should be discernible from the sanction order passed u/s. 151. However, as may be seen, the approval order is bereft of any reason. There is no whisper of any material that may have weighted for the grant of approval.*

*Even the bare minimum requirement of the approving authority having to indicate what the thought process was, is missing in the aforementioned approval order. While elaborate reasons may not have been given, at least there has to be some indication that the approving authority has examined the material prior to granting approval. Mere appending the expression “Yes I am satisfied” says nothing. The entire exercise appears to have been ritualistic and formal rather than meaningful, which should be the*

*rationale for the safeguard of an approval by a high ranking official. 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.*

*In the present case, there is no such material to come to the conclusion that PCIT granted approval after considering the reasons assigned by the AO. The decision rendered in Meenakshi Overseas Pvt Ltd. [2015 [12] TMI 1905 – DHC is therefore not applicable to the facts and circumstances of the present case.*

*Mere repeating of the words of the statute, mere rubber stamping of the letter seeking sanction or using similar words like “Yes, I am satisfied” will not satisfy the requirement of law. Hence, we are of the firm view that PCIT has failed to satisfactorily record his concurrence. The mere use of expression “Yes, I am Satisfied” cannot be considered to be a valid approval as the same does not reflect an independent application of mind. The grant of approval in such manner is thus flawed in law.*

*Approval granted by the PCIT for issuance of notice u/s. 148 of the Act is not valid. Assessee appeal allowed.”*

- In the case of CIT vs. Goyanka Lime & Chemical Ltd. (2015) 64 taxmann.com 313 (SC) the Hon’ble Supreme

Court examined 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.

7. We find that in view of the aforesaid precedents, the Approval granted by the PCIT-8, New Delhi for issuance of notice u/s. 148 of the Act is not valid. *Therefore*, respectfully following the aforesaid binding precedents, we allowed the legal ground raised by the assessee and quash the reassessment accordingly. Since we have already observed that notice issued u/s. 148 is not valid and resultantly we quashed the reassessment, hence, the remaining grounds need not be adjudicated upon.

8. In the result, the appeal of the assessee is allowed in the above terms.

Order pronounced in the open court on 14.01.2026.

**Sd/-**  
**( S. RIFAUR RAHMAN)**  
**ACCOUNTANT MEMBER**

SR Bhatanaggar

Date:- 14.01.2026

Copy forwarded to:

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

**Sd/-**  
**( SUDHIR KUMAR)**  
**JUDICIAL MEMBER**

ASSISTANT REGISTRAR  
ITAT NEW DELHI