



## **BOM HC: Unsigned Section 151 Approval Renders Reassessment Notice Invalid; Valid DIN Cannot Substitute Signature Mandated U/S 282A(1)**

### **Facts of the case:**

Nikhil Nagindas Modi ('the Petitioner'), an individual resident and proprietor of a magazine and book publishing business who also earned salary income, filed his return for Assessment Year ('AY') 2017-18 u/s 139(1) of the Income-tax Act, 1961 ('the Act'), declaring total income of Rs. 67,13,390. The return was processed u/s 143(1)(a) of the Act and the returned income was accepted. On 30th March, 2021, the Assessing Officer ('AO') issued a notice u/s 148 of the Act to reopen the assessment, stating that prior approval u/s 151 of the Act had been obtained from the Joint Commissioner. The Petitioner sought the reasons recorded and, on 4th February, 2022, was furnished with them along with a copy of the section 151 approval. After the Petitioner filed objections, a notice u/s 143(2) of the Act was issued on 4th March, 2022, and on 10th March, 2022, the National Faceless Assessment Centre passed an order disposing of the objections. Aggrieved, the Petitioner filed a writ petition before the Bombay High Court on several grounds, including that the sanction u/s 151 of the Act was bad in law.

### **Assessee's contentions:**

The Petitioner argued that the approval u/s 151 of the Act was unsigned, and hence it was not clear whether the approving authority had applied his mind before the section 148 notice was issued. Relying on section 282A(1) of the Act, it was submitted that every document issued by an income-tax authority, including the sanction u/s 151 of the Act, must be signed, and an unsigned approval is not a valid approval. Reliance was placed on *Ambernath City Hospital (P.) Ltd.* (Bombay High Court) and *Vikas Gupta* (Allahabad High Court). It was further argued that a Document Identification Number ('DIN') cannot substitute a signature, that the Delhi High Court's decision in *Asro Arcade* had not considered section 282A(1) at all, and that section 292BC of the Act, effective from 1st April, 2021, would not apply to the notice in question. Without prejudice, it was contended that the approval reflected non-application of mind, since it showed the income escaping assessment as "0" (zero) and the reasons recorded were vague.

### **Revenue's contentions:**

The Revenue did not dispute that the approval was unsigned, but argued that the law does not require the approving authority to sign the approval. It contended that the approval was granted through the electronic system, reflecting application of mind, and carried a valid DIN. Relying on section 282A(2) of the Act and the Delhi High Court decision in *Asro Arcade*, it submitted that mentioning the name of the approving authority or sending the approval from the authority's email address amounts to proper authentication. The Revenue also relied on section 292BC of the Act, inserted by the Finance Act, 2026, to cure such defects.



### **Ruling by Bombay High Court:**

The Bombay High Court allowed the Petitioner's writ petition. Holding that the unsigned approval was not in accordance with law and was fatal, rendering the entire reassessment proceeding without jurisdiction, the Court did not deal with the other issues raised. The Court held:

1. **Section 151 sanction is a jurisdictional pre-condition:** Relying on the Supreme Court's decisions in *UOI v. Rajeev Bansal* and *Chhugamal Rajpal*, the Court reiterated that sanction u/s 151 of the Act is not an empty formality but a statutory safeguard against arbitrary reopening, and its grant is a pre-condition for the AO to assume jurisdiction u/s 148 of the Act. In the absence of a valid approval, the notice is bad in law.
2. **Approval must be signed u/s 282A(1):** To be valid, the approving authority must at least have gone through the reasons recorded and the material on record, and recorded his satisfaction under his signature. An approval falls within the expression 'other document' in section 282A(1) of the Act, which requires such documents to be 'signed', and a signature is therefore mandatory. Following *Vikas Gupta* and *Ambernath City Hospital (P.) Ltd.* (where an unsigned section 148 notice was held invalid), the Court held that the same ratio applies with equal force where the section 151 approval is unsigned.
3. **Valid DIN is no substitute for signature:** Having a valid DIN and having a valid signature are two different facets, and one cannot dispense with the requirement of the other.
4. **Section 282A(2) does not override section 282A(1):** Sub-section (2) merely provides for deemed authentication where the name and office of the authority is printed on the document, and its fulfilment cannot justify non-fulfilment of the categorical requirement in sub-section (1). The Court noted that a document may be authentic but not legal.
5. **Disagreement with the Delhi High Court:** The Court was unable to agree with the decision in *Asro Arcade*, since:
  1. It did not discuss or even refer to section 282A(1) of the Act, and did not have the benefit of *Ambernath City Hospital (P.) Ltd.* and *Vikas Gupta*.
  2. The Court did not accept its view that no digital document can bear a signature, as several electronic documents bear digital signatures. The section 148 notice in the present case was itself digitally signed, and the Department has issued guidelines for digital or manual signatures.The Court remarked that a valid signature, whether manual or digital, is mandatory u/s 282A(1) of the Act and cannot be dispensed with.
6. **Section 292BC not applicable:** The provision is retrospective only from 1st April, 2021 and hence does not apply where the approval was granted on 30th March, 2021. The Court expressed no view on its validity.

The High Court quashed and set aside the section 148 notice dated 30th March, 2021, the order dated 10th March, 2022 disposing of the objections, the notices u/s 142(1) of the Act dated 10th and 15th November, 2021, and the notice u/s 143(2) of the Act dated 4th March, 2022.

### **Citation:**

Nikhil Nagindas Modi [2026] 189 taxmann.com 645 (Bombay)

**Our Comments:**

This judgment firmly establishes that a signature, manual or digital, on the section 151 approval is a statutory mandate u/s 282A(1) of the Act, and that an unsigned approval goes to the root of jurisdiction, vitiating the section 148 notice and the entire reassessment. Neither a valid DIN nor the deemed authentication u/s 282A(2) of the Act can stand in for a signature, as authenticity of a document is distinct from its legality. The Bombay High Court has expressly disagreed with the Delhi High Court's contrary view in Asro Arcade, resulting in a divergence between High Courts. The validity of section 292BC of the Act has been left open, and it was held not to help the Revenue for an approval granted on 30th March, 2021. Assessee's facing reopened assessments, particularly for notices issued around March 2021, should check whether the copy of the section 151 approval furnished with the reasons recorded bears a signature.