Sri G Lalanatha Reddy vs The Asst Commissioner Of Income Tax

ID: F2J-C-2227 **Court:** Karnataka High Court
Case: ITA No. 178 of 2022 **Date:** 2025-10-09

[Cites 11, Cited by 0]

Karnataka High Court Sri G Lalanatha Reddy vs The Asst Commissioner Of Income Tax on 9 October, 2025 -1- ITA No. 178 of 2022 C/W ITA No. 52 of 2022 ITA No. 55 of 2022 AND 7 OTHERS

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 9TH DAY OF OCTOBER, 2025

PRESENT THE HON'BLE MR. JUSTICE D K SINGH AND THE HON'BLE MR. JUSTICE VENKATESH NAIK T INCOME TAX APPEAL NO. 178 OF 2022 C/W INCOME TAX APPEAL NO. 52 OF 2022 INCOME TAX APPEAL NO. 55 OF 2022 INCOME TAX APPEAL NO. 68 OF 2022 INCOME TAX APPEAL NO. 71 OF 2022 INCOME TAX APPEAL NO. 86 OF 2022 INCOME TAX APPEAL NO. 121 OF 2022 INCOME TAX APPEAL NO. 177 OF 2022 INCOME TAX APPEAL NO. 292 OF 2022 AND INCOME TAX APPEAL NO. 305 OF 2022 Digitally signed by VASANTHA IN ITA No. 178/2022: KUMARY B K Location: HIGH BETWEEN: COURT OF KARNATAKA

1. SRI G LALANATHA REDDY AGED 45 YEARS, S/O. SRI. GOVINDA REDDY, NO. 995/A, 5AC, HRBR LAYOUT, FIRST BLOCK, KALYANA NAGAR, BENGALURU 560043, PAN AHPPR3768J) ...APPELLANT (BY SRI. S PARTHASARATHI ALONG WITH JINITA CHATTERJEE, ADVOCATES) -2- ITA No. 178 of 2022 C/W ITA No. 52 of 2022 ITA No. 55 of 2022 AND 7 OTHERS

AND:

1. THE ASST COMMISSIONER OF INCOME TAX, CENTRAL CIRCLE 1(2), CENTRAL REVENUE BUILDING, QUEENS ROAD, BENGALURU 560001 ...RESPONDENT (BY SRI. RAVI RAJ Y V AND SRI M.DILIP, ADVOCATES) THIS INCOME TAX APPEAL IS FILED UNDER SECTION 260-A OF INCOME TAX ACT 1961, ARISING OUT OF ORDER DATED 22/02/2021 PASSED IN ITA NO. 2989/BANG/2018, FOR THE ASSESSMENT YEAR 2009-2010, PRAYING TO FORMULATE THE SUBSTANTIAL QUESTIONS OF LAW STATED THEREIN AND ALLOW THE APPEAL AND SET-ASIDE THE ORDER OF THE INCOME TAX APPELLATE TRIBUNAL DATED 22/02/2021 IN SO FAR AS IT PERTAINS THE APPEAL OF THE APPELLANT IN ITA NO. 2989/BANG/2018 FOR THE ASSESSMENT YEAR 2009- 2010, ETC. IN ITA NO. 52/2022:

BETWEEN:

1. M/S KANSUR DEVELOPERS INDIA PVT.LTD REP BY ITS DIRECTOR KANTHA JAIN FLAT 2102 MARATT PIMENTO BANNERGHATTA MAIN ROAD 4TH PHASE, J P NAGAR, BENGALURU - 560 076 PAN. AACCK9866F ...APPELLANT (BY SRI. A.SHANKAR, SENIOR COUNSEL FOR SRI. S.ANNAMALAI., ADVOCATE) AND:

1. THE ASSISTANT COMMISSIONER OF INCOME-TAX CENTRAL CIRCLE - 1 (4) C R BUILDING, QUEENS ROAD, BENGALURU - 560 001 ...RESPONDENT (BY SRI. RAVI RAJ Y V AND SRI.M.DILIP, ADVOCATES) -3- ITA No. 178 of 2022 C/W ITA No. 52 of 2022 ITA No. 55 of 2022 AND 7 OTHERS THIS INCOME TAX APPEAL IS FILED UNDER SECTION 260-A OF INCOME TAX ACT 1961, ARISING OUT OF ORDER IN ITA NO. 2996/BANG/2018 DATED 22/02/2021 FOR A.Y.2008- 09 AND C.O.NO.15/BANG/2019 DATED 22/02/2021 FOR A.Y.2008-09 (VIDE ANNEXURE-A), PRAYING TO ALLOW THE APPEAL AND SET ASIDE THE FINDINGS TO THE EXTENT AGAINST THE APPELLANT IN THE ORDER PASSED BY THE INCOME TAX APPELLATE TRIBUNAL IN ITA NO.

2996/BANG/2018 DATED 22/02/2021 FOR A.Y.2008-2009 AND C.O.NO. 15/BANG/2019 DATED 22/02/2021 FOR A.Y.2008-2009 (VIDE ANNEXURE-A), ETC. IN ITA NO. 55/2022:

BETWEEN:

1. M/S KANSUR REALTORS PVT LTD REP BY ITS DIRECTOR KANTHA JAIN FLAT 2102 MARATT PIMENTO BANNERGHATTA MAIN ROAD 4TH PHASE, J P NAGAR BENGALURU - 560 076 PAN. AADCK0878K ...APPELLANT (BY SRI. A.SHANKAR, SENIOR COUNSEL, S.ANNAMALAI, ADVOCATE) AND:

1. THE ASSISTANT COMMISSIONER OF INCOME-TAX CENTRAL CIRCLE - 1(4) C R BUILDING, QUEENS ROAD, BENGALURU - 560 001 ...RESPONDENT (BY SRI.RAVI RAJ Y.V., AND SRI.M.ILIP, ADVOCATES) THIS INCOME TAX APPEAL IS FILED UNDER SEC.260-A OF INCOME TAX ACT 1961, ARISING OUT OF ORDER IN ITA NO. 2997/BANG/2018 DATED 22/02/2021 FOR A.Y. 2008-09 -4- ITA No. 178 of 2022 C/W ITA No. 52 of 2022 ITA No. 55 of 2022 AND 7 OTHERS AND C.O.NO.16/BANG/2019 DATED 22/02/2021 FOR A.Y.2008-09 (VIDE ANNEXURE-A), PRAYING TO FORMULATE THE SUBSTANTIAL QUESTIONS OF LAW AS STATED ABOVE AND ANSWER THE SAME IN FAVOUR OF THE APPELLANT AND TO ALLOW THE APPEAL AND SET ASIDE THE FINDINGS TO THE EXTENT AGAINST THE APPELLANT IN THE ORDER PASSED BY THE INCOME TAX APPELLATE TRIBUNAL IN ITA NO.

2997/BANG/2018 DATED 22/02/2021 FOR A.Y.2008-2009 AND C.O.NO. 15/BANG/2019 DATED 22/02/2021 FOR A.Y.2008- 2009 (VIDE ANNEXURE-A), ETC. IN ITA NO. 68/2022:

BETWEEN:

1. M/S ZIRCON PROPERTIES PVT LTD REP BY ITS DIRECTOR KANTHA JAIN FLAT 2102, MARATT PIMENTO BANNERGHATTA MAIN ROAD 4TH PHASE J P NAGAR BENGAURU 560076 PAN AAACZ3387J ...APPELLANT (BY SRI. A.SHANKAR, SENIOR COUNSEL, S.ANNAMALAI, ADVOCATE) AND:

1. THE ASSISTANT COMMISSIONER OF INCOME TAX CENTRAL CIRCLE 1(4) C R BUILDING QUEENS ROAD BENGALURU 560001 ...RESPONDENT (BY SRI. RAVI RAJ Y V., AND SRI.M.DILIP, ADVOCATES) THIS INCOME TAX APPEAL IS FILED UNDER SECTION

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A OF INCOME TAX ACT 1961, PRAYING THIS HON'BLE COURT TO FORMULATE THE SUBSTANTIAL QUESTION OF LAW AS STATE ABOVE AND ANSWER THE SAME IN FAVOUR OF THE APPELLANT AND TO ALLOW THE APPEAL AND SET ASIDE THE FINDINGS TO THE EXTENT AGAINST THE APPELLANT IN THE ORDER PASSED BY THE TRIBUNAL IN ITA No.2992/BANG/2018 -5- ITA No. 178 of 2022 C/W ITA No. 52 of 2022 ITA No. 55 of 2022 AND 7 OTHERS DATED:22.02.2021 FOR A.Y.2009-10, C.O.No.11/BANG/2019 DATED:22.02.2021 FOR A.Y.2009-10, ITA No.2993/BANG/2018 DATED:22.02.2021 FOR A.Y.2010-11 AND C.O.No.12/BANG/2019 DATED:22.02.2021 FOR A.Y.2010- 11.[VIDE ANNEXURE-A], ETC. IN ITA NO. 71/2022:

BETWEEN:

1. M/S SUKANTH DEVELOPERS INDIA PVT.LTD.

REP BY ITS DIRECTOR KANTHA JAIN FLAT 2102, MARATT PIMENTO BANNERGHATTA MAIN ROAD 4TH PHASE J P NAGAR BENGAURU 560076 PAN AAACZ3387J ...APPELLANT (BY SRI. A.SHANKAR, SENIOR COUNSEL, S.ANNAMALAI, ADVOCATE) AND:

1. THE ASSISTANT COMMISSIONER OF INCOME TAX CENTRAL CIRCLE 1(4) C R BUILDING QUEENS ROAD BENGALURU 560001 ...RESPONDENT (BY SRI. RAVI RAJ Y V. AND SRI.M.DILIP, ADVOCATES) THIS INCOME TAX APPEAL IS FILED UNDER SECTION 260-A OF INCOME TAX ACT 1961, PRAYING TO FORMULATE THE SUBSTANTIAL QUESTION OF LAW AS STATED ABOVE AND ANSWER THE SAME IN FAVOUR OF THE APPELLANT AND TO ALLOW THE APPEAL AND SET ASIDE THE FINDINGS TO THE EXTENT AGAINST THE APPELLANT IN THE ORDER PASSED BY THE TRIBUNAL IN ITA NO.

2990/BANG/2018 DATED 22/02/2021 A.Y.2008-2009, C.O.NO.13/BANG/2019 DATED 22/02/2021 A.Y.2008-2009, ITA NO. 2991/BANG/2018 DATED 22/02/2021 A.Y.2010-11 AND C.O.NO. 14/BANG/2019 DATED 22/02/2021 A.Y.2010-11 (VIDE ANNEXURE-A), ETC. -6- ITA No. 178 of 2022 C/W ITA No. 52 of 2022 ITA No. 55 of 2022 AND 7 OTHERS IN ITA NO. 86/2022:

BETWEEN:

1. SRI. HEMANTH KUMAR BOTHRA NO.14 7TH CROSS JAI BHARAT NAGAR BENGALURU-560033 PAN-AAAPH9863N ...APPELLANT (BY SRI. A.SHANKAR, SENIOR COUNSEL, S.ANNAMALAI, ADVOCATE) AND:

1. THE ASSISTANT COMMISSIONER OF INCOME TAX CIRCLE 7(1)(1) BMTC BUILDING 80 FEET ROAD, 6TH BLOCK NEAR KHB GAMES VILLAGE KORAMANGALA, BENGALURU-560095 ...RESPONDENT (BY SRI. RAVI RAJ Y V AND SRI. M.DILIP, ADVOCATES) THIS INCOME TAX APPEAL IS FILED UNDER SECTION 260-

A OF INCOME TAX ACT 1961, ARISING OUT OF ORDER DATED:22.02.2021 PASSED IN ITA No.3044/BANG/2018 FOR A.Y.2009-2010, PRAYING THIS HON'BLE COURT BE PLEASED TO FORMULATE THE SUBSTANTIAL QUESTION OF LAW AS STATED ABOVE AND ANSWER THE SAME IN FAVOUR OF THE APPELLANT AND TO ALLOW THE APPEAL AND SET ASIDE THE FINDINGS TO THE EXTENT AGAINST THE APPELLANT IN THE COMMON ORDER PASSED BY THE INCOME TAX APPELLATE TRIBUNAL, 'C' BENCH BANGALORE, IN ITA No.3044/BANG/2018 DATED:22.02.2021 FOR THE ASSESSMENT YEAR 2009-10 [ANNEXURE-A], ETC. -7- ITA No. 178 of 2022 C/W ITA No. 52 of 2022 ITA No. 55 of 2022 AND 7 OTHERS IN ITA NO. 121/2022:

BETWEEN:

1. SRI ADICHUNCHANAGIRI SHIKSHNA TRUST REP BY GENERAL SECRETARY SRI PURUSHOTHAMANANDANATHA SWAMIJI 1ST B MAIN, VIJAYANAGAR BANGALORE - 560040 PAN AAATS3584P ...APPELLANT (BY SRI. A.SHANKAR, SENIOR COUNSEL, S.ANNAMALAI, ADVOCATE) AND:

1. THE ASSISTANT COMMISSIONER OF INCOME TAX CENTRAL CIRCLE - 2(4) C R BUILDING, QUEENS ROAD BENGALURU - 560001 ...RESPONDENT (BY SRI. RAVI RAJ Y V AND SRI. M.DILIP, ADVOCATES) THIS Income Tax Appeal IS FILED Under Sec.260-A of Income Tax Act, 1961, praying to formulate the substantial questions of law stated therein and to allow the appeal and set aside the findings against the appellant in the common order dated 22/02/2021 passed by the Income Tax Appellate Tribunal, Bengaluru, C Bench in ITA No. 3007/Bang/2018 dated 22/02/2021 A.Y.2007-2008 C.O.No. 147/Bang/2018 dated 22/02/2021 A.Y.2007-2008. ITA No. 3028/Bang/2018 dated 22/02/2021 A.Y.2008-2009 C.O.No. 148/Bang/2018 dated 22/02/2021 A.Y.2008-2009 ITA No. 3029/Bang/2018 dated 22/02/2021 A.Y.2009-2010 C.O.No. 149/Bang/2018 dated 22/02/2021 A.Y. 2009-2010 ITA No. 3030/Bang/2018 dated 22/02/2021 A.Y.2010-2011 C.O.No. 150/Bang/2018 dated 22/02/2021 A.Y.2010-2011 ITA No. 3031/Bang/2018 dated 22/02/2021 A.Y.2011-2012 C.O.No. 151/Bang/2018 dated 22/02/2021 A.Y.2011-2012 ITA No. 3032/Bang/2018 -8- ITA No. 178 of 2022 C/W ITA No. 52 of 2022 ITA No. 55 of 2022 AND 7 OTHERS dated 22/02/2021 A.Y.2012-2013 C.O.No. 152/Bang/2018 dated 22/02/2021 A.Y.2012-2013 ITA No. 3033/Bang/2018 dated 22/02/2021 A.Y.2013-2014 C.O.No. 153/Bang/2018 dated 22/02/2021 A.Y.2013-2014 (Vide Annexure-A), ETC.

IN ITA NO. 177/2022:

BETWEEN:

1. SRI G LALANATHA REDDY AGED 45 YEARS, S/O SRI GOVINDA REDDY NO.995/A 5AC, HRBR LAYOUT FIRST BLOCK, KALYANA NAGAR BENGLAURU-560043 (PAN AHPPR3768J) ...APPELLANT (BY SRI. S PARTHASARATHI., ALONG WITH JINITA CHATTERJEE, ADVOCATES) AND:

1. THE ASST COMMISSIONER OF INCOME TAX CENTRAL CIRCLE -1(2) CENTRAL REVENUE BUILDING QUEENS ROAD, BENGALURU-560001 ...RESPONDENT (BY SRI. RAVI RAJ Y V. AND M.DILIP, ADVOCATES) THIS INCOME TAX APPEAL IS FILED UNDER SECTION 260-

A OF INCOME TAX ACT 1961, ARISING OUT OF ORDER DATED 22/02/2021 PASSED IN ITA NO. 2988/BANG/2018, FOR THE ASSESSMENT YEAR 2008-2009, PRAYING TO FORMULATE THE SUBSTANTIAL QUESTIONS OF LAW STATED THEREIN AND ALLOW THE APPEAL AND SET-ASIDE THE ORDER OF THE INCOME TAX APPELLATE TRIBUNAL DATED 22/02/2021 IN SO FAR AS IT PERTAINS THE APPEAL OF THE APPELLANT IN ITA NO. 2988/BANG/2018 FOR THE ASSESSMENT YEAR 2008-2009, ETC. -9- ITA No. 178 of 2022 C/W ITA No. 52 of 2022 ITA No. 55 of 2022 AND 7 OTHERS IN ITA NO. 292/2022:

BETWEEN:

1. SRI ADICHUNCHANAGIRI SHIKSHANA TRUST REP BY ITS GENERAL SECRETARY SRI PURUSHOTHAMANADANATHA SWAMIJI SON OF SRI VENKATEGOWDA AGED ABOUT 76 YEARS 1ST B MAIN VIJAYANAGAR BENGALURU-560040 PAN-AAATS3584P ...APPELLANT (BY SRI. A.SHANKAR, SENIOR COUNSEL, S.ANNAMALAI, ADVOCATE) AND:

1. THE ASSISTANT COMMISSIONER OF INCOME TAX CENTRAL CIRCLE -2(4) C R BUILDING, QUEENS ROAD, BENGALURU-560001.

...RESPONDENT (BY SRI. RAVI RAJ Y V. AND SRI.M.DILIP, ADVOCATES) THIS INCOME TAX APPEAL IS UNDER SECTION 260-A OF INCOME TAX ACT 1961, PRAYING TO FORMULATE THE SUBSTANTIAL QUESTIONS OF LAW AS STATED ABOVE AND ANSWER THE SAME IN FAVOUR OF THE APPELLANT AND TO ALLOW THE APPEAL AND SET ASIDE THE FINDINGS TO THE EXTENT AGAINST THE APPELLANT IN THE COMMON ORDER PASSED BY THE INCOME TAX APPELLATE TRIBUNAL, 'C' BENCH, BENGALURU IN MP NOS. 70 TO 76/BANG/2021 (IN ITA NOS. 3007, 3028 TO 3033/BANG/2018 AND CO NOS. 147 TO 153/BANG/2018 DATED 26/11/2021 FOR THE ASSESSMENT YEARS 2007-08 TO 2013-14 RESPECTIVELY VIDE ANNEXURE-A, ETC. - 10 - ITA No. 178 of 2022 C/W ITA No. 52 of 2022 ITA No. 55 of 2022 AND 7 OTHERS IN ITA NO. 305/2022:

BETWEEN:

1. SRI HEMANTH KUMAR BOTHRA S/O SRI CHANDANMAL PUKHRAJ BOTHRA, AGED ABOUT 45 YEARS, NO.14, 7TH CROSS, JAI BHARATNAGAR, BENGALURU-560033 PAN AAAPH9863N ...APPELLANT (BY SRI. A.SHANKAR, SENIOR COUNSEL, S. ANNAMALAI, ADVOCATE) AND:

1. THE ASSISTANT COMMISSIONER OF INCOME TAX CIRCLE-7(1)(1) BMTC BUILDING, 80 FEET ROAD, 6TH BLOCK, NEAR KHB GAMES VILLAGE, KORAMANGALA, BENGALURU-560095 ...RESPONDENT (BY SRI. RAVI RAJ Y V AND SRI.M.DILIP, ADVOCATES) THIS INCOME TAX APPEAL IS FILED UNDER SEC.260-A OF INCOME TAX ACT 1961, ARISING OUT OF ORDER DATED 26/11/2021 PASSED IN MP NO. 88/BANG/2021 (IN ITA NO.

3044/BANG/2018), FOR THE ASSESSMENT YEAR 2009-2010, PRAYING TO FORMULATE THE SUBSTANTIAL QUESTIONS OF LAW AS STATED ABOVE AND ANSWER THE SAME IN FAVOUR OF THE APPELLANT AND TO ALLOW THE APPEAL AND SET ASIDE THE FINDINGS TO THE EXTENT AGAINST THE APPELLANT IN THE ORDER PASSED BY THE INCOME TAX APPELLATE TRIBUNAL BENCH, BENGALURU IN MP NO. 88/BANG/2021 (IN ITA NO. 3044/BANG/2018) DATED 26/11/2021 FOR THE ASSESSMENT YEAR 2009-2010 VIDE ANNEXURE-A, ETC. - 11 - ITA No. 178 of 2022 C/W ITA No. 52 of 2022 ITA No. 55 of 2022 AND 7 OTHERS THESE APPEALS HAVING BEEN HEARD AND RESERVED FOR JUDGMENT ON 26.09.2025, COMING ON FOR PRONOUNCEMENT THIS DAY, D K SINGH J., PRONOUNCED THE FOLLOWING:

CORAM: HON'BLE MR. JUSTICE D K SINGH and HON'BLE MR. JUSTICE VENKATESH NAIK T CAV COMMON JUDGMENT (PER: HON'BLE MR. JUSTICE D K SINGH) This batch of Income Tax Appeals are directed against the common order dated 22.02.2021 passed by the Income Tax Appellate Tribunal, "C" Bench, Bangalore.

2. The Tribunal after considering the facts and circumstances of the case has set aside the orders of the CIT(A)-11 and remanded the matter back to the respective jurisdictional CIT(A) to decide the appeals afresh in accordance with the law after due opportunity of hearing to the parties. The Additional grounds taken by the Revenue in the appeals were also allowed.

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3. The Tribunal did not go into the merits of the appeals filed by the Revenue. All the appeals and cross-objections were allowed for statistical purposes.

4. In all these cases the assessment orders were finalized by the Assessing Authority after search operations were conducted under Section 132 of the Income Tax Act, 1961 (for short 'the IT Act'). Substantial additions to the returned income were made by the Assessing Authorities while finalizing the assessment under Section 143 r/w Section 147 and Section 153C r/w Section 143(3) of the IT Act. The Director General of Income Tax (Investigation) Karnataka and Goa, Bengaluru, issued a show-cause notice to the then Commissioner of Income Tax (Appeals)-11, Bangalore 560 001, on Appellate orders passed in the case of one assessee for the assessment years 2008-2009 and 2012-2013. The Director General of Income Tax (Investigation) was of the opinion that the additions made by the assessing officers were based on the ceased material, which were confronted to the assessee, and the - 13 - ITA No. 178 of 2022 C/W ITA No. 52 of 2022 ITA No. 55 of 2022 AND 7 OTHERS statement of the parties involved in the transactions were also duly recorded. Therefore, the predecessor CIT(A) in the original order under Section 250 of the IT Act dated 25.06.2016 had dismissed the assessee's appeal based on the detailed reasons mentioned in the orders except for the assessment year 2012-2013, wherein a few of the addition was deleted in view of the substantial additions being upheld in the case of one Sri. Cheriyan Abraham. The assessee preferred appeal against the said order of predecessor CIT(Appeals) passed under Section 250 before the ITAT. The appeal was dismissed on 14.07.2017. However, the ITAT held that its order dated 14.07.2017 would not have a bearing on the Section 154 petition filed by the Assessee before the CIT (Appeals).

5. The Director General of Income Tax (Investigation), was of the opinion that CIT(A)-11 had passed an order under Section 154 r/w Section 250(1) on 29.12.2017 based on the assessee's submissions without making any analysis of the same and without giving his own findings - 14 - ITA No. 178 of 2022 C/W ITA No. 52 of 2022 ITA No. 55 of 2022 AND 7 OTHERS on the submissions, and granted complete relief to the assessee for all the assessment years. The standard reasoning given by the CIT(A)-11 was also extracted in the show-cause notice.

6. It was also mentioned in the show-cause notice that in the original order passed by the predecessor CIT (Appeals) under Section 250 of the Income Tax Act, there was no mistake apparent that was required to be rectified and the order passed by the CIT(A)-11 under Section 154 r/w Section 251 of the Income Tax Act, amounted to re-adjudication of the appeal. It was also noted that there was a considerable difference between the date of orders and the date of dispatch. The orders dated 29.12.2018 appeared to have been dispatched on 23.01.2018 and on 21.03.2018. In view of the aforesaid, the CIT(A)-11 was directed to furnish an explanation on the circumstances leading to passing of such alleged erroneous orders and also the explanation was required to be furnished for the delay in dispatch of the orders, within four days. - 15 - ITA No. 178 of 2022 C/W ITA No. 52 of 2022 ITA No. 55 of 2022 AND 7 OTHERS

7. The Director General of Income Tax (Investigation) was of the opinion that there were serious lapses committed by the CIT(A)-11, while passing the appellate orders, and there was no improvement in the quality of the orders. Therefore, he directed the CIT(A)-11 not to pass any further appellate

orders until the explanation sought for was given to the satisfaction of the Director General of Income Tax (Investigation). CIT(A)-11 was also directed to furnish a list of all appeals disposed of, in the month of June 2018 till date, immediately.

8. On 16.07.2018 in exercise of the powers conferred under sub-Section (2) and (3) of Section 120 of the IT Act and other enabling provisions in this behalf, the powers conferred on the Principal Chief Commissioner of Income Tax, Karnataka and Goa Region by the Notification No.66/2014/F.No.279/Misc./66/2014-SO(ITJ) dated 13.11.2014 read with Notification No.2238(E) vide notification No.69/2015, F.No.187/30/2014(ITA.I) dated 17.08.2015 transferred all appeals pending from CIT(A)- - 16 - ITA No. 178 of 2022 C/W ITA No. 52 of 2022 ITA No. 55 of 2022 AND 7 OTHERS 11, Bengaluru, to the CIT(A)-12, Bengaluru, in the interest of Administrative convenience.

9. Admittedly, all orders passed in these appeals by the CIT(A)-11 are after 18.06.2018 and before 16.07.2018. However, the revenue has contented that in some cases, the orders passed by the CIT(A)-11 were after 16.07.2018, but pre-dated inasmuch as these orders were dispatched after 16.07.2018.

10. The Revenue had filed the appeals against the orders passed by the CIT(A)-11 after 18.06.2018 and in some cases the orders were passed before 18.06.2018. Those appeals are not subject matter of challenge before us. These appeals are confined only to the orders passed by the CIT(A)-11 after 18.06.2018. The revenue also urged two additional grounds in all these appeals including other appeals before the ITAT. The two additional grounds would read as under :-

"1. The order passed by the Commissioner of Income Tax (Appeals)-11 dated 10.07.2018 being the order passed after the directions vide

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AND 7 OTHERS letter dated 18.06.2018 by the DGIT, (Inv.), Bengaluru, and notification u/s.120 dated 16.07.2018 issued by the PCCIT, Bengaluru, the CIT(A) order is without jurisdiction and liable to be set aside.

2. The order passed by the Commissioner of Income Tax (Appeal)-11, dated 10.07.2018 being not entered in dispatch register which was required to be entered, the order is presumed to be passed after the transfer of jurisdiction."

11. The Tribunal after considering the facts and circumstances of the case, has been of the opinion that the orders passed by the CIT(A)-11 after 18.06.2018 were without jurisdiction and therefore, set aside all the orders passed after 18.06.2018 by the CIT(A)-11 and remitted the matter back to the respective CIT(A) for decision afresh in accordance with law, after giving opportunity of hearing to all the parties.

12. The ITAT has also noticed that the CIT(A)-11 had passed 50 orders involving different assesses and different issues between 05.07.2018 to 13.07.2018 and that would be an impossible task for any appellate authority. - 18 - ITA No. 178 of 2022 C/W ITA No. 52 of 2022 ITA No. 55 of 2022 AND 7 OTHERS

13. Heard Sri A. Shankar, learned Senior Counsel assisted by Sri S. Parthasarathi, learned counsel for the appellants. It is submitted that the orders passed after 18.06.2018 but before 16.07.2018 when the Principal Chief Commissioner of Income Tax transferred the pending appeals before the CIT(A)-11 to CIT(A)-12 cannot be said to be without jurisdiction.

14. It is the Principal Chief Commissioner of the Income Tax Karnataka and Goa Region, Bengaluru, who would have the jurisdiction under Sub-Section (2) of Section 120 of the Income Tax Act, 1961 r/w Notification No.66/2014/F.No.279/Misc/66/2014-SO(ITJ) dated 13.11.2014 and Notification No.69/2015, F.No.187/30/2014(ITA.I) dated 17.08.2015 issued by the CBDT, New Delhi, to transfer the appeals from one Commissioner of Appeals to another Commissioner of Appeals and the Principal Chief Commissioner exercising such powers has transferred the appeals only on 16.07.2018 from CIT(A)-11 to CIT(A)-12 and only from - 19 - ITA No. 178 of 2022 C/W ITA No. 52 of 2022 ITA No. 55 of 2022 AND 7 OTHERS 16.07.2018, the CIT (A)-11 would not have jurisdiction to hear and decide the appeals pending before him. However, before 16.07.2018 CIT(A)-11 was well within the power to decide the appeals.

15. It has been further submitted that two additional grounds urged by the Revenue could not have been entertained and the appeals sought to have been decided on merit by the ITAT instead of remanding the matter back to the respective CIT(A) to the prejudice of the assessees.

16. On the other hand, Mr. Y.V. Ravi Raj, learned Standing Counsel for the Income Tax has submitted that the Director General of Income Tax (Investigation) Karnataka and Goa, Bengaluru was well within the power to issue direction to the CIT(A)-11, not to pass orders on pending appeals till he submits explanation to the show- cause notice issued to him on 18.06.2018 to the satisfaction of the Director General of Income Tax (Investigation). The submission is that after 18.06.2018 - 20 - ITA No. 178 of 2022 C/W ITA No. 52 of 2022 ITA No. 55 of 2022 AND 7 OTHERS any order passed by the CIT(A)-11 would be without jurisdiction and therefore, the ITAT has rightly set aside those orders on this ground alone and remanded the matter back to the CIT(A)-11 for fresh adjudication in accordance with law. It is further submitted that the assessees are in no manner prejudiced by the remand as they would be heard and their contentions would be taken note of, while passing a fresh order as directed by the ITAT, while remanding the matters back to the CIT(A). The learned counsel for the Revenue has further submitted that when the Appellate Commissioner CIT(A)-11 conduct was in cloud and he was facing the explanation sought for, from him and in fact he was compulsorily thereafter retired, the orders passed by him, cannot be said to be the orders passed in accordance with law.

17. He has placed reliance on the Notification dated 15.11.2014 to submit that DGIT (Investigation), Bengaluru, would have jurisdiction over CIT(A)-11, Bengaluru in all matters, except the discretion of the - 21 - ITA No. 178 of 2022 C/W ITA No. 52 of 2022 ITA No. 55 of 2022 AND 7 OTHERS Commissioner (Appeals) regarding the manner and method of adjudication. Similar Notification has also been issued on 09.11.2023, which would suggest that the DGIT (Investigation), Bengaluru, would have the supervisory jurisdiction over CIT(A)-11. He further submits that the Principal Commissioner of Income Tax and DGIT (Investigation) are the Officers of the same rank and same status and therefore, when the DGIT (Investigation) came to know about the erroneous orders being passed by the CIT(A)-11, he asked for his explanation by the notice dated 18.06.2018 and asked him not to pass any further orders. He therefore, submits that the orders passed by the CIT(A)-11 after 18.06.2018 were improper, illegal without jurisdiction, and the Tribunal has rightly set aside those orders and allowed the appeals and remanded the matters back to CIT(A) of the respective jurisdiction.

18. We have considered the submissions of the learned counsel for both the parties. The facts are not in dispute. - 22 - ITA No. 178 of 2022 C/W ITA No. 52 of 2022 ITA No. 55 of 2022 AND 7 OTHERS The only question that arises for our consideration is that :-

"Whether the orders passed after 18.06.2018 by the CIT(A)-11 are just, proper and legal and whether the ITAT while setting aside the orders passed by the CIT(A)-11, Bengaluru, has committed any error of law or jurisdiction ?"

19. As pointed out above, the DGIT (Investigation) Karnataka and Goa Region, would have the supervisory and administrative jurisdiction over the CIT(A)-11, which is evident from the two notifications mentioned above. When the DGIT asked explanation regarding the erroneous orders being passed by the CIT (A)-11 and asked him not to proceed further in passing the orders on pending appeals, the CIT(A)-11 for the reasons best known to him, went on to decide as many as 81 appeals between 05.07.2018 to 13.07.2018. He decided 50 appeals involving different assessees and different issues, which would be a very very difficult task for any authority. - 23 - ITA No. 178 of 2022 C/W ITA No. 52 of 2022 ITA No. 55 of 2022 AND 7 OTHERS

20. Therefore, in the facts and circumstances, we are of the considered view, that the orders passed by the CIT (A)-11 after 18.06.2018 are erroneous, illegal and without jurisdiction and therefore, we affirm the orders passed by the ITAT impugned in these appeals and dismiss all the above appeals.

21. We also hold that the assessees are not in any manner prejudiced by the remand of the appeals to the respective CIT(A).

Accordingly, all the above appeals stand dismissed. Sd/- (D K SINGH) JUDGE Sd/- (VENKATESH NAIK T) JUDGE NG