



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 17TH DAY OF MARCH, 2026

BEFORE

THE HON'BLE MR. JUSTICE S SUNIL DUTT YADAV

WRIT PETITION NO. 5717 OF 2026 (T-IT)

BETWEEN:

RAJESH JASWANTH RAI MEHTA
S/O. JASWANTH RAI MEHTA,
OCC: BUSINESS,
RESIDING AT NO.4,
BATAVIA CHAMBERS,
KUMARA KRUPA ROAD,
KUMARA PARK EAST,
BENGALURU - 560 001,
KARNATAKA.

...PETITIONER

(BY SRI. RAGHU H P., ADVOCATE)

AND:

1. THE COMMISSIONER OF INCOME TAX (APPEALS)
NATIONAL FACELESS APPEAL CENTRE (NFAC),
INCOME TAX DEPARTMENT,
MINISTRY OF FINANCE, GOVT. OF INDIA,
NEW DELHI - 110 001.



2. THE ASSESSMENT UNIT / ASSESSING OFFICER
INCOME TAX DEPARTMENT,
NATIONAL FACELESS ASSESSMENT CENTRE,
NEW DELHI.

...RESPONDENTS

(BY SRI. E.I. SANMATHI., ADVOCATE)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO QUASH AND SET ASIDE THE IMPUGNED ORDER DATED 10.02.2026 BEARING DIN ITBA/NFAC/S/250/2025-26/1085853567(1) PASSED BY RESPONDENT NO.1 (ANNEXURE A), TO THE EXTENT OF DISALLOWANCE OF BUSINESS LOSS AMOUNTING AS BEING ARBITRARY, ILLEGAL, CONTRARY TO THE PRINCIPLES OF NATURAL JUSTICE ETC.

THIS PETITION, COMING ON FOR PRELIMINARY HEARING, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE S SUNIL DUTT YADAV



ORAL ORDER

The petitioner has sought for setting aside of the order dated 10.02.2026 passed by the Appellate Authority at Annexure-A to the extent of business loss.

2. It is to be noticed that the assessment order came to be challenged by way of appeal on various grounds and the appeal came to be allowed-in-part while upholding contentions of the petitioner relating to unsecured loans and remitting the matter back to the assessing officer while making certain observations.

3. The petitioner however, is aggrieved by that portion of the order relating to rejection of his contention as regards business loss. Such aspect is found in para-6 of the order in appeal.

4. Learned counsel appearing for the petitioner submits that during the appeal proceedings, the petitioner made a request for an adjournment on 04.02.2026 stating that though he had filed written submissions, he had



requested for personal hearing which was not afforded. Such request was made on 04.02.2026 and the Order-in-Appeal itself was passed on 10.02.2026 without affording such opportunity of personal hearing and in that regard petitioner has entertained a grievance.

5. Learned counsel for the petitioner draws attention to observation made at para-6 of the order and submits that if the opportunity of personal hearing is granted, the petitioner would take note of the observations made at para-6 of the Order-in-Appeal and produce purchase invoices, sale vouchers, bank statements and other documents in order to demonstrate his case of business loss. Noticing that the request of personal hearing was overlooked and an order itself has been passed on 10.02.2026, it would be appropriate to set aside the order in appeal insofar as rejection of the petitioner's appeal as regards the ground of business loss and remit the matter to be taken up insofar as the aspect of business loss and reconsider the same while upholding the Order-in-Appeal



as regards the ground raised, considered and adjudicated relating to unsecured loans.

6. Accordingly, the Order-in-Appeal at Annexure-A is set aside insofar as any rejection of the petitioner's appeal as regard to the ground of business loss and the matter is remitted to the Assessing Officer for reconsideration. Such order is passed also keeping in mind that the order insofar as the unsecured loans is in favour of the assessee and there is already an order of remand to the assessing officer regarding such ground.

7. Accordingly, the Order-in-Appeal at annexure-A is modified insofar as the rejection of the ground relating to business loss and is remitted back to the Assessing Officer while affirming directions of the Appellate Authority insofar as the remitting for reconsideration on the basis of other grounds.

8. Accordingly, the writ petition is ***disposed of*** and needless to state, upon remand, the petitioner is at liberty



**NC: 2026:KHC:15691
WP No. 5717 of 2026**

to take the benefit of opportunity to place his case before
the Assessing officer.

**Sd/-
(S SUNIL DUTT YADAV)
JUDGE**

BN
List No.: 1 Sl No.: 11