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***IN THE HIGH COURT OF DELHI AT NEW DELHI**

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Judgment reserved on: 05 April 2024
Judgment pronounced on: 07 May 2024

W.P.(C) 4054/2024 & CM APPL 16537/2024

DOLLAR GULATI

..... Petitioner

Through: Mr. N.P. Shahi, Mr. Deepanshu
Mehta, Mr. Kumail Abbas,
Advs.

Versus

PRINCIPAL COMMISSIONER OF INCOME TAX & ORS.

..... Respondents

Through: Mr. Gaurav Gupta, SSC with
Mr. Shivendra Singh, Mr.
Namit Gupta, Advs. for ITD.

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W.P.(C) 4086/2024 & CM APPL 16697/2024

MARK GULATI

..... Petitioner

Through: Mr. N.P. Shahi, Mr. Deepanshu
Mehta, Mr. Kumail Abbas,
Advs.

Versus

PRINCIPAL COMMISSIONER OF INCOME TAX & ORS.

..... Respondents

Through: Mr. Prashant Meharchandani,
SSC with Mr. Akshat Singh,
Ms. Ritika Vohra, Mr. Utkarsh
Kandpal, Advs.**CORAM:****HON'BLE MR. JUSTICE YASHWANT VARMA****HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR****KAURAV****J U D G M E N T****PURUSHAINDRA KUMAR KAURAV, J.**

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1. The present writ petitions, at the instance of the assessee, seek to assail the impugned orders dated 20 February 2024 [W.P.(C) 4086/2024] and 11 March 2024 [W.P.(C) 4054/2024] passed under Section 127 of the Income Tax Act, 1961 [“**Act**”], whereby, the cases of the assessee are centralized to the board of Deputy Commissioner of Income Tax [“**DCIT**”], Central Circle, Karnal, Haryana.
2. For the sake of convenience, the factual matrix pertaining to W.P.(C) 4054/2024 [*Dollar Gulati v. Principal Commissioner of Income Tax*], which was the lead matter, is taken into consideration. The brief facts that are pertinent to decide the controversy at hand would reveal that on 11 April 2023, a search operation under Section 132 of the Act was conducted on the premises of M/s. Zee Lab Group which has its headquarters in Karnal, Haryana.
3. Pursuant to the aforementioned search, some incriminating material alluding to the assessee was discovered and therefore, on 26 April 2023, a notice under Section 131(1A) of the Act was issued to the assessee, whereby, the assessee was called on to furnish details of income earned by him since Assessment Year [“**AY**”] 2017-18
4. Thereafter, the assessee furnished a reply to the aforesaid notice, whereby, the financial statements of bank accounts, particulars of the investments made and details of the unsecured loan transactions etc. were provided to the Revenue.
5. Subsequently, on 2 February 2024, a show cause notice was issued to the assessee, whereby, for the purpose of an ‘*administrative, convenience, coordinated investigation and assessment*’, the case of the assessee was sought to be centralized at DCIT, Central Circle, Karnal, Haryana and the assessee was called upon to furnish objections, if any, against the proposed transfer.

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6. Consequently, on 3 February 2024, the assessee furnished his reply against the abovenoted show cause notice stating *inter alia* that the proposed transfer was not *bona fide* and there was no link between the assessee and the searched party.

7. After considering the reply filed by the assessee, on 11 March 2024, the Revenue passed an order under Section 127 of the Act, whereby, the case of the assessee was centralized and transferred from the Income Tax Officer [“**ITO**”] Ward-51(1) Delhi to DCIT, Central Circle, Karnal, Haryana. It is this order which stands impugned before us in this writ petition.

8. Assailing the impugned order, Mr. N.P. Shahi, learned counsel appearing on behalf of the assessee submitted that the impugned order was passed without any application of mind and in a mechanical manner as it reflects no reasoning regarding the transfer of the case of the assessee from jurisdictional Assessing Officer [“**AO**”] to DCIT, Central Circle, Karnal, Haryana. He argued that the assessee’s case was nowhere linked to the searched party and therefore, there was no need for the centralization of the assessee’s case. He further submitted that due to the arbitrary and irrational order passed by the Revenue, unnecessary hardship would be caused to the assessee as he has to travel all the way from Delhi to the DCIT, Central Circle, Karnal, Haryana.

9. *Per contra*, Mr. Deepak Gupta, learned counsel appearing on behalf of the Revenue, vehemently opposed the submissions advanced by the assessee and submitted that the impugned order was passed following the mandate of Section 127 of the Act. He argued that the assessee has duly been given an opportunity of hearing and after considering the reply of the assessee, the Revenue has passed the

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impugned order. He further submitted that the assessee had an indelible link to the searched persons, which was even reflected in the reply filed by the assessee to the notice dated 26 April 2023 and therefore, an order of centralization under Section 127 of the Act is justifiable.

10. We have heard the learned counsel appearing on behalf of the parties and perused the record.

11. The principal controversy which stands raised before us is whether the Revenue while passing the impugned order bears in mind the legislative mandate of Section 127 of the Act and considers the objections raised by the assessee.

12. Before advertng to the merits of the case, it is pertinent to refer to the scope and ambit of powers conferred upon the Revenue under Section 127 of the Act.

Scope and ambit of Section 127 of the Act

13. Chapter XIII of the Act deals with the income tax authorities and their jurisdictional powers. Section 116 of the Act enlists the various classes of income tax authorities which are aimed to fulfil the objectives of the Act. Section 120 of the Act, which is another vital Section which talks about the jurisdiction of the income tax authorities and how the jurisdiction of the income tax authorities is *inter alia* based upon the territorial area, persons or classes of persons, income or classes of income and cases or classes of cases. Going on further, Section 124 of the Act deals with the jurisdiction of the AOs, whereby, he has been vested with the jurisdiction over any person carrying on business or profession over any prescribed territorial limit



or where the principal place of business of persons is within such area and any person residing within such prescribed territorial limits.

14. Section 127 of the Act delineates the ambit of transfer of cases from one AO to another AO. For the sake of clarity, Section 127 of the Act is reproduced herein:-

“127. Power to transfer cases.—(1) The [Principal Director General or Director General] or [Principal Chief Commissioner or Chief Commissioner] or [Principal Commissioner or Commissioner] may, after giving the assessee a reasonable opportunity of being heard in the matter, wherever it is possible to do so, and after recording his reasons for doing so, transfer any case from one or more Assessing Officers subordinate to him (whether with or without concurrent jurisdiction) to any other Assessing Officer or Assessing Officers (whether with or without concurrent jurisdiction) also subordinate to him.

(2) Where the Assessing Officer or Assessing Officers from whom the case is to be transferred and the Assessing Officer or Assessing Officers to whom the case is to be transferred are not subordinate to the same [Principal Director General or Director General] or [Principal Chief Commissioner or Chief Commissioner] or [Principal Commissioner or Commissioner],—

(a) where the Director Generals or Chief Commissioners or Commissioners to whom such Assessing Officers are subordinate are in agreement, then the [Principal Director General or Director General] or [Principal Chief Commissioner or Chief Commissioner] or [Principal Commissioner or Commissioner] from whose jurisdiction the case is to be transferred may, after giving the assessee a reasonable opportunity of being heard in the matter, wherever it is possible to do so, and after recording his reasons for doing so, pass the order;

(b) where the Director Generals or Chief Commissioners or Commissioners aforesaid are not in agreement, the order transferring the case may, similarly, be passed by the Board or any such [Principal Director General or Director General] or [Principal Chief Commissioner or Chief Commissioner] or [Principal Commissioner or Commissioner] as the Board may, by notification in the Official Gazette, authorise in this behalf.

(3) Nothing in sub-section (1) or sub-section (2) shall be deemed

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to require any such opportunity to be given where the transfer is from any Assessing Officer or Assessing Officers (whether with or without concurrent jurisdiction) to any other Assessing Officer or Assessing Officers (whether with or without concurrent jurisdiction) and the offices of all such officers are situated in the same city, locality or place.

(4) The transfer of a case under sub-section (1) or sub-section (2) may be made at any stage of the proceedings, and shall not render necessary the re-issue of any notice already issued by the Assessing Officer or Assessing Officers from whom the case is transferred.

Explanation.—In Section 120 and this section, the word “case”, in relation to any person whose name is specified in any order or direction issued thereunder, means all proceedings under this Act in respect of any year which may be pending on the date of such order or direction or which may have been completed on or before such date, and includes also all proceedings under this Act which may be commenced after the date of such order or direction in respect of any year.”

15. Section 127 of the Act empowers the Principal Director General or Director General or Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner to transfer any case from subordinate AOs after providing a reasonable opportunity of hearing to the assessee and recording reasons for the case of transfer. This power of transfer under Section 127(1) of the Act is hedged by two elementary requirements namely; i) such an order can be passed only after giving the assessee a reasonable opportunity of being heard, ii) recording reasons for doing so, wherever possible. Furthermore, as per sub-Section (3) of Section 127 of the Act, the opportunity of hearing would not be necessary where the transfer of a case is from an AO to another AO and, wherein, such officers are situated in the same city, locality or place. Under clause (a) of Section 127(2) of the Act, where the AO or the officers from whom the case is sought to be transferred and the AO or the officers to

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whom the case is to be transferred are not subordinate to the same Principal Directors General, Director General, Principal Chief Commissioners, Chief Commissioners or Principal Commissioners or Commissioners, the transfer of case would be only when such authorities to whom the AOs concerned are subordinate are in agreement. In such a case, the Principal Director General, Director General, Principal Chief Commissioner or Chief Commissioner or Commissioner from whose jurisdiction the case is to be transferred would pass an order after giving the assessee a reasonable opportunity of being heard and after recording the reasons wherever it is possible.

16. At this juncture, it is pertinent to point out the dictum laid down by the Constitution Bench of the Supreme Court in the case of *Kashiram Aggarwalla v. Union of India*,¹ wherein, the Court outlined the scope and ambit of Section 127 of the Act and emphasized on the administrative character of the order passed under Section 127 of the Act. The relevant paragraphs of the said decision are reproduced herein below:-

“6. There is another consideration which is also relevant. Section 124 of the Act deals with the jurisdiction of Income Tax Officers. Section 124(3) provides that within the limits of the area assigned to him the Income Tax Officer shall have jurisdiction—

- (a) in respect of any person carrying on a business or profession, if the place at which he carries on his business or profession is situate within the area, or where his business or profession is carried on in more places than one, if the principal place of his business or profession is situate within the area, and
- (b) in respect of any other person residing within the area.

This provision clearly indicates that where a transfer is made under the proviso to Section 127(1) from one Income Tax Officer to another in the same locality, it merely means that instead of one



Income Tax Officer who is competent to deal with the case, another Income Tax Officer has been asked to deal with it. Such an order is purely in the nature of an administrative order passed for considerations of convenience of the department and no possible prejudice can be involved in such a transfer. Where, as in the present proceedings, assessment cases pending against the appellant before an officer in one ward are transferred to an officer in another ward in the same place, there is hardly any occasion for mentioning any reasons as such, because such transfers are invariably made on grounds of administrative convenience, and that shows that on principle in such cases neither can the notice be said to be necessary, nor would it be necessary to record any reasons for the transfer. The provisions contained in Section 124(3) of the Act deal with the same topic which was the subject-matter of Section 64(1) and (2) of the earlier Income Tax Act, 1922 (11 of 1922). There is, however this difference between these two provisions that whereas Section 124 fixes jurisdiction, territorial or otherwise, of the Income Tax Officers, Section 64 fixed the place where an assessee was to be assessed.

7. In this connection, it is also necessary to take into account the background of the provision contained in Section 127. In *Pannalal Binjraj v. Union of India* [(1957) SCR 233] the validity of Section 5(7-A) of the earlier Act of 1922 was challenged before this Court. The said Section had provided that the Commissioner of Income Tax may transfer any case from one Income Tax Officer subordinate to him to another, and the Central Board of Revenue may transfer any case from any one Income Tax Officer to another. Such transfer may be made at any stage of the proceedings, and shall not render necessary the reissue of any notice already issued by the Income Tax Officer from whom the case is transferred. The argument which was urged before this Court in challenging the validity of this provision was that it infringed the citizens' fundamental rights conferred by Articles 14 and 19(1)(g) of the Constitution. In support of this argument, reliance was placed on the fact that Section 64(1) and (2) conferred a right on the assessee to have his tax matter adjudicated upon by the respective officers mentioned in the said provisions; and since Section 5(7-A) authorised the transfer of the assessee's case from one Income Tax Officer to another, that involved infringement of his fundamental rights guaranteed by Articles 14 and 19(1)(g) read with Section 64(1) and (2). It is necessary to emphasise that Section 5(7-A) authorised transfer of income tax cases from one officer to another not necessarily within the same place. In other words, the transfer authorised by Section 5(7-A) would take the case from the jurisdiction of an officer entitled to try it under Section 64(1) and (2) to another officer who may not have jurisdiction to try the case under the said provision. That, indeed,

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was the basis on which the validity of Section 5(7-A) was challenged. This Court, however, repelled the plea raised against the validity of the said section on the ground that the right conferred on the assessee by Sections 64(1) and (2) was not an absolute right and must be subject to the primary object of the Act itself, namely, the assessment and collection of the income tax; and it was also held that where the exigencies of tax collection so required, the Commissioner of Income Tax or the Central Board of Revenue had the power to transfer his case under Section 5(7-A) to some other officer outside the area where the assessee resided or carried on business. That is how Section 5(7-A) was sustained.

9. It is in the light of these considerations that we have to construe the proviso to Section 127(1). As we have already indicated, the construction for which Mr Jain contends is a reasonably possible construction. In fact, if the words used in the proviso are literally read, Mr Jain would be justified in contending that the requirement that reasons must be recorded applies even to cases falling under it. On the other hand, if the obvious object of the proviso is taken into account and the relevant previous background is borne in mind, it would also seem reasonable to hold that in regard to cases falling under the proviso, an opportunity need not be given to the assessee, and the consequential need to record reasons for the transfer is also unnecessary, and this view is plainly consistent with the scheme of the provision and the true intent of its requirements. We would accordingly hold that the impugned orders cannot be challenged on the ground that the Board has not recorded reasons in directing the transfer of the cases pending against the assessee from one Income Tax Officer to another in the same locality.”

17. The order of transfer passed under Section 127 of the Act, *inter alia*, rests on the premise of public interest. The powers under Section 127 of the Act shall be exercised for public purpose and in order to fulfil the *bona fide* objectives of the Act. Section 127 of the Act is a machinery provision and it must be construed in a manner to finally effectuate a charging section and for the purpose of effective collection of tax. The Supreme Court in the case of **K.P. Mohammed Salim v. CIT**,² wherein, the transfer of block assessment was



concerned, laid impetus on the machinery nature of Section 127 of the Act and held as follows:-

“13. An order of transfer is passed for the purpose of assessment of income. It serves a larger purpose. Such an order has to be passed in public interest. Only because in the said provision the words “any case” has been mentioned, the same, in our opinion, would not mean that an order of transfer cannot be passed in respect of cases involving more than one assessment year.

14. It would not be correct to contend that only because Explanation appended to Section 127 refers to the word “case” for the purpose of the said section as also Section 120, the source of power for transfer of the case involving block assessment is relatable only to Section 120 of the Act. It is a well-settled principle of interpretation of statute that a provision must be construed in such a manner so as to make it workable. When the Income Tax Act was originally enacted, Chapter XIV-B was not in the statute book. It was brought in the statute book only in the year 1996.

The power of transfer in effect provides for a machinery provision. It must be given its full effect. It must be construed in a manner so as to make it workable. Even Section 127 of the Act is a machinery provision. It should be construed to effectuate a charging section so as to allow the authorities concerned to do so in a manner wherefor the statute was enacted.”

18. The Division Bench of this Court in the case of **ATS Infrastructure Ltd. v. Commissioner of Income-tax**,³ after following the dictum laid down by the Supreme Court in the case of **Pannalal Binraj v. Union of India**,⁴ wherein, it was held that there is no fundamental right to be assessed at a particular place, has also held that when powers are invoked under Section 127 of the Act, territorial nexus becomes irrelevant and what becomes more prominent are the interests of adjudication and collection of taxes. The Court in the said decision held as follows:-

³ 2009 SCC OnLine Del 1627.



“9. In Pannalal Binraj v. Union of India [1957] 31 ITR 565 (SC) the Constitution Bench had repulsed a siege laid to the vires of section 5 of the Indian Income-tax Act, 1922. The assessee had one of its branches in Calcutta where the karta of the Hindu undivided family resided and carried on business. The Hindu undivided family, however, was being assessed at Patna but the cases were transferred to Calcutta and subsequently to Circle-VI, New Delhi. Their Lordships observed thus (pages 580 and 587) :

“Prima facie it would appear that an assessee is entitled under those provisions to be assessed by the Income-tax Officer of the particular area where he resides or carries on business. Even where a question arises as to the place of assessment such question is under section 64(3) to be determined by the Commissioner or the Commissioners concerned if the question is between places in more States than one or by the Central Board of Revenue if the latter are not in agreement and the assessee is given an opportunity of representing his views before any such question is determined. This provision also goes to show that the convenience of the assessee is the main consideration in determining the place of assessment. Even so the exigencies of tax collection have got to be considered and the primary object of the Act, viz., the assessment of Income-tax, has got to be achieved. The hierarchy of Income-tax authorities which is set up under Chapter II of the Act has been so set up with a view to assess the proper Income-tax payable by the assessee and whether the one or the other of the authorities will proceed to assess a particular assessee has got to be determined not only having regard to the convenience of the assessee but also the exigencies of tax collection. In order to assess the tax payable by an assessee more conveniently and efficiently it may be necessary to have him assessed by an Income-tax Officer of an area other than the one in which he resides or carries on business. It may be that the nature and volume of his business operations are such as require investigation into his affairs in a place other than the one where he resides or carries on business or that he is so connected with various other individuals or organisations in the way of his earning his income as to render such extra territorial investigation necessary before he may be properly assessed. .. There is no fundamental right in an assessee to be assessed in a particular area or locality. Even considered in the context of section 64(1) and (2) of the Act this right which is conferred upon the assessee to be assessed in a particular area or locality is not an absolute right but a subject to the exigencies of tax collection.”

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10. The Division Bench of this court in *Sameer Leasing Co. Ltd. v. Chairman, CBDT* [1990] 185 ITR 129 gave its imprimatur to assessment previously being carried out at Delhi, being transferred to Meerut, keeping in view the fact that the business activities of the assessee were located in Muzaffarnagar and also keeping in perspective the fact that other cases of the assessee pertaining to the same group were also transferred to Meerut. Another Division Bench of this court in *K. K. Loomba v. CIT* [2000] 241 ITR 152 applied *Bidi Supply Co. v. Union of India* [1956] 29 ITR 717 (SC) and *Pannalal Binraj v. Union of India* [1957] 31 ITR 565 (SC) to reject the challenge to the transfer of cases from Amritsar to Delhi. In *K. P. Mohammed Salim v. CIT* [2008] 300 ITR 302 (SC) their Lordships have clarified that: “The power of transfer is in effect provides for a machinery provision. It must be given full effect. It must be construed in a manner so as to make it workable. Even section 127 of the Act is the machinery provision. It should be construed to effectuate a charging section so as to allow the authorities concerned to do so in a manner wherefor the statute was enacted.”

11. In this conspectus and analysis of the law it will be relevant to note that, firstly, there is no fundamental right of an assessee to be assessed at a particular place. Under section 124, the assessment must be carried out at the principal place of business but when powers under section 127 are invoked, territorial nexus becomes irrelevant. Secondly, the determination of the venue of the assessment would be governed by the greatest exigencies for the collection of taxes. Thirdly, the decision to transfer cases cannot be capricious or mala fide. If the venue is changed from year to year, or periodically for no apparent reason, it would not manifest an instance of the exercise of power which is not available, but an example of an abuse of power in the manner in which it is exercised. Fourthly, whilst the convenience of the assessee should be kept in mind, it would always be subservient to the interests of adjudication and collection of taxes.”

19. It is also relevant to point out that the Division Bench of this Court in the case of *Sanjay Gandhi Memorial Trust v. CIT*,⁵ while giving imprimatur to the centralization order passed under Section 127 of the Act, has also interpreted the legislative mandate of Section 127 of the Act in light of the new faceless e-assessment scheme



promulgated by the Revenue. This Court in the said decision held as follows:-

“45. Almost all the High Courts have held that transfer under Section 127 of the Act for the purpose of coordinated investigation is a sufficient reason for passing of such an administrative order. Consequently, it is settled law that a transfer order under Section 127 of the Act does not affect any fundamental or legal right of an assessee and the courts ordinarily refrain from interfering with exercise of such power.

58. Consequently, the transfer of a case under Section 127 of the Act is an altogether different power which continues to exist even after introduction of the e-assessment/faceless regime. Accordingly, the said scheme does not in any manner trammel upon or negate the existing powers contained in Section 127 of the Act to transfer the cases as provided for thereunder. Consequently, the power of transfer under Section 127 of the Act is not in any manner denuded by the faceless assessment scheme when the transfer is sought to be made from a jurisdictional assessing officer under one Principal Commissioner of Income Tax to another assessing officer under a different Principal Commissioner of Income Tax who are not exercising concurrent jurisdiction over the case.

The argument that the power of transfer under the notifications is a two-step process is untenable in law.

66. The argument of the petitioners that the power to transfer cases under Section 127 of the Act, after coming into force of the faceless assessment scheme and notifications is a two-step process i.e. from faceless assessing officer to jurisdictional assessing officer and then from jurisdictional assessing officer to the transferee assessing officer, is untenable in law for the reason stated hereinabove that in clause (2) of Notification No. 62 of 2019, the Principal Chief Commissioner or Principal Director General in charge of National e-Assessment Centre has the power to transfer back the case to the jurisdictional assessing officer at any stage of the assessment to complete assessment, whereas the power under Section 127 of the Act can be exercised at any stage even when no assessment is pending. This is apparent from the definition of the expression “case” in Explanation to Section 127 of the Act. For the sake of convenience the expression “case” as defined in Section 127 of the Act is extracted as below:

“Explanation.—In Section 120 and this Section, the word ‘case’, in relation to any person whose name is specified in

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any order or direction issued thereunder, means all proceedings under this Act in respect of any year which may be pending on the date of such order or direction or which may have been completed on or before such date, and includes also all proceedings under this Act which may be commenced after the date of such order or direction in respect of any year.”

67. Also, as stated hereinabove, neither the e-assessment nor the faceless assessment scheme in any manner modifies the power to transfer cases from one assessing officer under a Principal Commissioner of Income Tax to another assessing officer under another Principal Commissioner of Income Tax who are holding non-concurrent charges. The aforesaid schemes only authorise transfer back of the case to the jurisdictional assessing officer holding original jurisdiction which he never loses as only the function of assessment is carried out by the faceless assessing officer holding concurrent jurisdiction. But, when a “case” is transferred under Section 127 of the Act, “all proceedings under this Act” gets transferred. The power under Section 127 of the Act to transfer the “case” or “all proceedings under the Act” is nowhere provided for under the aforesaid schemes. Moreover, the submission that the Notifications dated 12-9-2019 and 13-8-2020 permits transfer in the first instance only from National e-Assessment Centre to the jurisdictional assessing officer is untenable in law as there may be cases where no assessment is pending before the faceless assessing officer, yet the case of the assessee is transferred to central circle. Consequently, Section 127 of the Act to the extent it permits transfer from one assessing officer under a Principal Commissioner of Income Tax to another assessing officer under another Principal Commissioner of Income Tax who are holding non-concurrent charges remains untouched and continues to apply in its pristine form.”

20. It is also relevant to point out that the Division Bench of the Bombay High Court in the case of *Aamby Valley Ltd. v. CIT*,⁶ has also stressed upon the factum of principles of natural justice to be followed while the powers under Section 127 of the Act are exercised. Furthermore, the Court also laid emphasis on the embargo put on the power of judicial review when the order of transfer duly reflects



application of mind on the part of the authority. The relevant paragraphs of the said decision are reproduced herein for reference:-

“8. We have considered the submissions. The power to transfer cases under section 127 of the Act is to be undoubtedly exercised after following the principles of natural justice. However, the discretion of the authority to transfer a case has to be examined on the touchstone of the same not being arbitrary and/or perverse and/or mala fide. If there are reasons in the impugned order which indicates due application of mind to reach a view to transfer a case from one jurisdiction to another, then this court will not interfere with the discretion of the administrative authority who transfers the case. This discretion is vested by the Act in high ranking officer, viz., Commissioner of Income-tax, and the necessity to transfer a case from the jurisdiction of one officer to another officer for better administration of the Act could be diverse and impossible to enumerate. It is for the above reason that section 127 of the Act has not limited the exercise of jurisdiction by specifying any circumstances before the authority can exercise his powers to transfer the case. One more fact which cannot be lost sight of is that an assessee cannot choose his Assessing Officer and, therefore, if the transfer order does indicate some valid reasons to justify the transfer and such reasons are neither perverse or arbitrary or mala fide this court would not interfere with the reasonable exercise of his discretion.”

21. After considering the legislative mandate and ambit of Section 127 of the Act, we now proceed to examine whether the ‘*coordinated enquiries, investigations or administrative convenience*’ is an adequate rationale to pass an order of transfer and exercise powers under Section 127 of the Act.

22. As it is evident from the discussion above, the powers under Section 127 of the Act can be exercised keeping in mind the elementary significance of public interest. It is pertinent to point out the observations made by the Division Bench of this Court in the case of *Sameer Leasing Co. Ltd. v. Chairman, CBDT*,⁷ whereby, the transfer of assessment proceeding from Delhi to Meerut on the ground



of ‘coordinated investigation’ was in question. This Court while upholding the transfer order passed under Section 127 of the Act has held as follows :-

“7. It was contended that in the case of Shivajirao Angre v. CIT, [1986] 158 ITR 162 (MP), it has been observed that transferring a case for “detailed and co-ordinated investigation” was very vague and did not constitute a valid reason. We are unable to hold that a properly co-ordinated investigation cannot be a ground for the income-tax authorities to direct that all the cases belonging to a group should be decided by a single assessing authority. In the present case, as it appears from the impugned order, the business activities of the petitioner are located at Muzaffarnagar and, therefore, though the petitioner was assessed previously at Delhi, it was considered necessary to transfer the case to Meerut where the other cases of the assessee belonging to the same group were also being transferred by another order dated December 27, 1989.

8. It was also contended, that the provisions of section 127(2) of the Income-tax Act were ultra vires as it contained no guidelines on the basis of which the transfer could be effected. We are unable to agree with this contention. The power under section 127 of the Act is to be exercised in public interest and in the interest of administration of the Act. In order to safeguard the interest of the assessee, an opportunity of being heard is granted and the section further requires reasons to be stated for transferring a case. The decision to transfer can be taken, in a case like the present, only if there is a concurrence between the two Commissioners of Income-tax who may be concerned with the transfer. When such high functionaries agree to the transfer and a show-cause notice is issued and reasons are contained in the order of transfer and those reasons appear to be germane to the transfer and show that the transfer has been made in the public interest and for a proper adjudication under the Act, we do not see how the impugned provision can be said to be ultra vires.”

23. It is relevant to point out that the Division Bench of the Allahabad High Court in the case of **Bhatia Minerals v. Commissioner of Income-Tax**,⁸ has also held that the ‘coordinated investigation’ is a good ground for transfer as it eases the



administrative convenience of the income tax authorities. The relevant paragraph of the said decision is reproduced herein for reference:-

“7. We are not inclined to interfere with the impugned order of trans-fer. As held by this court in *Peacock Chemicals (P) Ltd. v. CIT*, [1990] 182 ITR 98, proper and co-ordinated investigation is a good ground for transfer under section 127. Since the Bhatia family has several businesses in various names and statuses, it is only proper that there should be co-ordination in investigation in the affairs of the groups which may have a bearing on the income-tax proceedings. The word “co-ordinate” indicates that there is a need for interlinking various aspects of a group for proper income-tax assessment. Hence, this expression is not vague. In fact, in the income-tax cases of connected business groups or families, it is often convenient to centralise their cases because often these have a bearing on one another. There is, therefore, nothing unreasonable in the impugned order.”

24. It is also pertinent to point out the observations made by the Division Bench of the Patna High Court, wherein, while dealing with the scope of Section 127 of the Act and the ground of ‘coordinated investigation’ in the decision in ***Jharkhand Mukti Morcha v. Commissioner of Income-Tax, Ranchi***,⁹ it has also held as follows:-

“17. Section 127 does not contain the grounds on which a case is to be transferred. It has been left to the discretion of the authority which has to be exercised by it in public interest. It is neither possible nor desirable to enumerate the grounds which can be said to be valid grounds for transfer u/s 127 of the Act. It depends upon the facts of each case. However, the paramount consideration for transfer should be the public interest and the power is to be guided and controlled to serve the purpose of the Act. The power is not to be exercised on arbitrary or flimsy grounds nor the same should be exercised for extraneous or irrelevant considerations. If the transfer is being made for the purpose of co-ordinated investigation for the purpose of assessment and collection of tax in a more convenient or efficient way, then it will be a good ground for transfer.

21. As noticed above the very object of transfer is to achieve the



object of the Act. If the co-ordinated investigation is necessary for the purpose of proper assessment, prevention of evasion of tax, collection of tax and other relevant matters then the proper and co-ordinated investigation is a good ground for transfer of the case. It cannot be laid down as a proposition of law that the said ground cannot be a valid ground for transfer. In a given case the same may not be a good ground for transfer, on being noticed that the co-ordinated investigation in no way will help to achieve the object of the Act. No doubt, transfer of a case from the place where the assessee has its place of residence or business to another place causes inconvenience but if it is necessary in the public interest then the transfer on the ground of proper and co-ordinated investigation cannot be held to be impermissible in law. I find myself in disagreement with the view that co-ordinated or centralised investigation will not be a ground of transfer u/s 127 of the Act. I am in agreement with the view taken by the different High Courts as mentioned above holding that proper and co-ordinated investigation would be a relevant, ground to exercise the power u/s 127 of the Act.”

25. Therefore, it is evident from the legislative mandate and dictum laid down by the abovementioned judicial pronouncements on the scope and ambit of Section 127 of the Act, that it is a machinery provision which is aimed at larger public interest. On the touchstone of public interest, the powers under Section 127 of the Act can be exercised. Furthermore, the legislative mandate advises that the order of transfer under Section 127 of the Act ought to be passed after providing a reasonable opportunity of hearing to the assessee.

26. In addition to that, the order passed under Section 127 of the Act should duly reflect the application of mind while disposing of the objections filed by the assessee. Moreover, the convenience of parties shall be considered by the Revenue while exercising the powers under Section 127 of the Act, however, in view of the administrative nature of such an order, the administrative convenience of the Revenue and the need for ‘coordinated investigation’ would take precedence over the logistical difficulties faced by the assessee. It is also fundamental

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to point out that despite being a machinery provision, the reasons recorded in the order of transfer should not be capricious or *mala fide* and such order shall not run contrary to the *bona fide* objectives of the Act.

27. In the conspectus of the judicial decisions and principles emerging from those decisions, we now proceed to examine the grounds of challenge raised before us.

28. We find that on 26 April 2023, a notice under Section 131(1A) of the Act was issued to the assessee, whereby the assessee was called upon to furnish details of income earned by him since AY 2017-18. The relevant extract of the said notice is reproduced herein for reference:-

“A search action u/s 132 in cases of Sh. Anil Chaudhary, Sh. Jitender Singh (alias Rakesh), Sh. Bharti Sehgal & Sh. Dheeraj Bakshi was undertaken on 11.04.2023. During the search action some incriminating material pertaining to you was found and hence seized. In this context, income tax proceeding in your case are hereby initiated. You are requested to furnish the following details.

1. Details of all your sources of income from F.Y.2016-17 onwards.
2. Please furnish the details of various business concerns/other concerns in which you or your family members have substantive (more than 10% Share holding) interest for the period F.Y 2016-17 onwards. Please also mention the nature of works undertaken by said concerns along with its PAN.
3. Copies of Audited & detailed Balance Sheet, Profit & Loss account along with all its schedules, notes, narration since F.Y. 2016-17 onwards.”

29. As it is evident from the notice that pursuant to the search conducted in the cases of Mr. Anil Chaudhary, Mr. Jitender Singh (alias Rakesh), Mr. Bharti Sehgal and Mr. Dheeraj Bakshi on 11 April



2023, the assessee was called upon to furnish the ITR details and particulars of the unsecured loan transactions.

30. The assessee filed his response to the abovementioned notice on 7 June 2023 reiterating his ITR and details of the loan transactions from Financial Year [“F.Y.”] 2016-17 to F.Y. 2022-23. Thereafter, after considering the reply, a show cause notice was issued on 2 February 2024, whereby, the assessee’s case was proposed to be centralized to the file of DCIT, Central Circle, Karnal, Haryana and objections were invited. Pursuant thereto, the assessee filed his objections on 03 February 2024. Having considered the reply, the Revenue on 11 March 2024 passed the impugned order under Section 127 of the Act. For the sake of convenience, the impugned order dated 11 March 2024 is reproduced herein:-

“A search & seizure action u/s 132 of the IT Act was carried out in the case of Zee Lab Group & Others on 11.04.2023. During the course of search proceedings, various incriminating registers & documents were seized from the premise bearing Villa no. 3004, Riviera Hermitage, Double Tree by Hilton, Arpora, Goa (owner Bharti Sehgal) and annexurised as A-1 to A-33. Details of expenses made by Sh. Dollar Gulati(PAN:- AEQPG8830G) are maintained in Annexures:- A-7, A-9, A-23, A-24, A- 26, A-29,& A-32. On perusal of the above, it is found that the assessee Sh. Dollar Gulati has invested Rs. 4,25,42,951/-(unaccounted expenditure) to construct/develop properties in Goa during FY 2018-19 to FY 2022-23 and therefore, the PAN:- AEQPG8830G of the assessee Sh. Dollar Gulati was proposed to be centralized by the Pr.CIT (Central), Gurugram for the purpose of co-ordinated investigation and meaningful assessment.

2. Since, the case was proposed to be centralised out of Delhi, therefore, notice u/s 127 of the Income Tax Act 1961 dated 02.02.2024 was issued to assessee for furnishing comments. The assessee vide reply submitted objection on the proposed centralization. The objections of assessee were forwarded to the Pr.CIT (Central), Gurugram to dispose off the objections filed by the assessee which was further forwarded to the Investigation Wing, Chandigarh.

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3. The comments of the DDIT (Inv.), Panipat alongwith the comments of the Addl. DIT(Inv), Faridabad and comments of the Pr.DIT(Inv), Chandigarh have been perused and considered in connection with the objections filed by assessee. It is noted that the objections filed by the assessee are general in nature. The assessee did not submit justifiable reason supporting his claim to not centralize his PAN and therefore, the objections raised by the assessee is not found tenable and hereby overruled. **It is also noted that the PAN of the assessee is required to be centralized with the PAN of the related parties which are already centralised with DCIT, Central Circle, Karnal to bring out the facts and inter connection of all such financial transactions as done by various parties with each other.**

4. Therefore, in exercise of the powers conferred by section 127 of the Income- Tax Act, 1961, and all powers enabling me in this behalf, I, Pr. Commissioner of Income-Tax, Delhi-10, New Delhi, hereby transfer the following case particulars of which are mentioned in Column No.2 & 3 from the Assessing Officer mentioned in Column No.4 to the Assessing Officer mentioned in Column No.5 and direct that the power of the Assessing Officer mentioned in Col.4, in respect of these cases shall be exercised by the Assessing Officer mentioned in Col.5. **The transfer order is affected for coordinated enquiries, investigations and administrative convenience and will come into force with immediate effect.”**

31. As it is evident from an *ex facie* reading of the impugned order that an opportunity of hearing was given to the assessee and the Revenue has considered the objections raised by the assessee before passing the impugned order, and moreover, the case of the assessee was centralized on the grounds of ‘*coordinated enquiries, investigations and administrative convenience*’, therefore, the contention of the assessee that the impugned order reflects no application of mind and the Revenue had not considered the objections raised by the assessee holds no merit.

32. It is also pertinent to point out that the notice dated 26 April 2023 points out that due to the search conducted in the cases of Mr.

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Anil Chaudhary, Mr. Jitender Singh (alias Rakesh), Mr. Bharti Sehgal and Mr. Dheeraj Bakshi on 11 April 2023, the assessee was called upon to furnish the details.

33. It is the contention of the assessee that he was nowhere related to the abovementioned individuals and thus there was no need to centralize the cases of the assessee. We find no justification in that contention as the details furnished by the assessee in response to the notice dated 26 April 2023 would indicate that certain transactions pertaining to the unsecured loans exist between the assessee and the searched persons. For the sake of convenience, the details of the unsecured loan transactions as reflected in the record are reproduced herein for reference:-

UNSECURED LOANS TAKEN/ ADVANCED FOR EACH F.Y. IN THE FOLLOWING FORMAT FOR THE PERIOD OF F.Y. 2016-17 ONWARDS								
YEAR	NAME	PAN	OP. BAL	ADDITION DURING THE YEAR	REPAYMENT	IF PAID THE AMOUNT WITH MODE OF PAYMENT)	CL. BAL.	INTEREST RECEIVED/P AID
2016-17	WORLDWIDE COMMUNICATION	AAJPG3078R	84,030	-	-		84,030	NIL
		TOTAL	84,030	-	-		84,030	

YEAR	NAME	PAN	OP. BAL	ADDITION DURING THE YEAR	REPAYMENT	IF PAID THE AMOUNT WITH MODE OF PAYMENT)	CL. BAL.	INTEREST RECEIVED/P AID
2016-17	WORLDWIDE COMMUNICATION	AAJPG3078R	84,030	1,34,500	55,500	ALL THROUGH BANKING CHANNEL	1,83,030	NIL
2017-18	SUREKHA GULTI	AGJPG8181D	-	41,00,000	-		41,00,000	NIL
2017-18	PARDEEP GULATI	AAJPG3078R	-	33,00,000	-		33,00,000	NIL
2017-18	CHERRY SEHGAL	DMYP58674D	-	22,00,000	-		22,00,000	NIL
2017-18	AKANKSHA GULATI	ANQPG5418B	-	17,00,000	-		17,00,000	NIL
		TOTAL	84,030	1,14,34,500	55,500		1,14,83,030	

YEAR	NAME	PAN	OP. BAL	ADDITION DURING THE YEAR	REPAYMENT	IF PAID THE AMOUNT WITH MODE OF PAYMENT)	CL. BAL.	INTEREST RECEIVED/P AID
2018-19	WORLDWIDE COMMUNICATION	AAJPG3078R	1,63,030	40,24,043	5,26,543	ALL THROUGH BANKING CHANNEL	36,60,530	NIL
2018-19	SUREKHA GULTI	AGJPG8181D	41,00,000	5,00,000	-		46,00,000	NIL
2018-19	PARDEEP GULATI	AAJPG3078R	33,00,000	10,00,000	-		43,00,000	NIL
2018-19	CHERRY SEHGAL	DMYP58674D	22,00,000	-	-		22,00,000	NIL
2018-19	AKANKSHA GULATI	ANQPG5418B	17,00,000	4,60,000	-		21,60,000	NIL

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2018-19	CHIRAJ SINGH	AAKP8072L	-	20,00,000	-	-	20,00,000	NIL
2018-19	DOLLAR GULATI HUF	AAKH0347D	-	8,50,000	-	-	8,50,000	NIL
2018-19	SATEER SINGH	ADSP5929A	-	1,00,00,000	-	-	1,00,00,000	NIL
		TOTAL	1,14,65,000	1,08,54,000	5,25,543	-	2,05,40,500	

YEAR	NAME	PAN	OP. BAL	ADDITION DURING THE YEAR	REPAYMENT	IF PAID THE AMOUNT WITH MODE OF PAYMENT)	CL. BAL	INTEREST RECEIVED/P AID
2019-20	WORLDWIDE COMMUNICATION	AAJPG3078R	30,00,000	10,64,190	10,64,190	ALL THROUGH BANKING CHANNEL	30,00,000	NIL
2019-20	SUREKHA GULTI	AGJPG818D	40,00,000	20,00,000	40,00,000	ALL THROUGH BANKING CHANNEL	20,00,000	NIL
2019-20	PARDEEP GULATI	AAJP83078R	45,00,000	10,00,000	-	-	55,00,000	NIL
2019-20	CHERRY SENGAL	DMYP58674D	22,00,000	-	-	-	22,00,000	NIL
2019-20	AKANKSHA GULATI	ANQP65418B	20,00,000	-	-	-	20,00,000	NIL
2019-20	CHIRAJ SINGH	ANQ19897L	20,00,000	-	-	-	20,00,000	NIL
2019-20	DOLLAR GULATI HUF	AAKH0347D	8,50,000	-	-	-	8,50,000	NIL
2019-20	SATEER SINGH	ADSP5929A	1,00,00,000	-	1,00,00,000	-	-	NIL
2019-20	SANJAY VERMA	ACUPV7401N	-	2,00,000	-	-	2,00,000	NIL
2019-20	BHARTI SENGAL	ATGP57517M	-	20,00,000	20,00,000	-	8,00,000	NIL
		TOTAL	2,95,70,500	26,64,190	1,42,54,190	-	2,40,00,500	

YEAR	NAME	PAN	OP. BAL	ADDITION DURING THE YEAR	REPAYMENT	IF PAID THE AMOUNT WITH MODE OF PAYMENT)	CL. BAL	INTEREST RECEIVED/P AID
2020-21	WORLDWIDE COMMUNICATION	AAJPG3078R	30,00,000	8,00,000	8,00,000	ALL THROUGH BANKING CHANNEL	30,00,000	NIL
2020-21	SUREKHA GULTI	AGJPG818D	20,00,000	8,00,000	4,00,000	ALL THROUGH BANKING CHANNEL	24,00,000	NIL
2020-21	PARDEEP GULATI	AAJP83078R	55,50,000	-	-	-	55,50,000	NIL
2020-21	CHERRY SENGAL	DMYP58674D	22,00,000	-	-	-	22,00,000	NIL
2020-21	AKANKSHA GULATI	ANQP65418B	20,00,000	-	-	-	20,00,000	NIL
2020-21	CHIRAJ SINGH	ANQ19897L	20,00,000	-	-	-	20,00,000	NIL
2020-21	DOLLAR GULATI HUF	AAKH0347D	8,50,000	-	-	-	8,50,000	NIL
2020-21	SANJAY VERMA	ACUPV7401N	2,00,000	-	-	-	2,00,000	NIL
2020-21	BHARTI SENGAL	ATGP57517M	8,00,000	12,50,000	20,75,000	-	(25,500)	NIL
		TOTAL	2,43,60,500	20,54,000	35,07,000	-	2,43,57,500	

YEAR	NAME	PAN	OP. BAL	ADDITION DURING THE YEAR	REPAYMENT	IF PAID THE AMOUNT WITH MODE OF PAYMENT)	CL. BAL	INTEREST RECEIVED/P AID
2021-22	WORLDWIDE COMMUNICATION	AAJPG3078R	30,33,000	7,00,000	12,00,000	ALL THROUGH BANKING CHANNEL	31,33,000	NIL
2021-22	SUREKHA GULTI	AGJPG818D	82,00,000	-	-	-	82,00,000	NIL
2021-22	PARDEEP GULATI	AAJP83078R	55,50,000	-	-	-	55,50,000	NIL
2021-22	CHERRY SENGAL	DMYP58674D	22,00,000	-	-	-	22,00,000	NIL
2021-22	AKANKSHA GULATI	ANQP65418B	20,00,000	7,00,000	-	-	27,00,000	NIL
2021-22	CHIRAJ SINGH	ANQ19897L	20,00,000	-	-	-	20,00,000	NIL
2021-22	DOLLAR GULATI HUF	AAKH0347D	8,50,000	6,00,000	-	-	14,50,000	NIL
2021-22	SANJAY VERMA	ACUPV7401N	2,00,000	-	-	-	2,00,000	NIL
2021-22	BHARTI SENGAL	ATGP57517M	(25,500)	20,00,000	17,00,000	-	2,74,500	NIL
		TOTAL	2,43,57,500	40,00,000	29,00,000	-	2,55,17,500	

YEAR	NAME	PAN	OP. BAL	ADDITION DURING THE YEAR	REPAYMENT	IF PAID THE AMOUNT WITH MODE OF PAYMENT)	CL. BAL	INTEREST RECEIVED/P AID
2022-23	WORLDWIDE COMMUNICATION	AAJPG3078R	31,33,000	-	-	-	31,33,000	NIL
2022-23	SUREKHA GULTI	AGJPG818D	82,00,000	14,00,000	-	-	96,00,000	NIL
2022-23	PARDEEP GULATI	AAJP83078R	55,50,000	-	-	-	55,50,000	NIL

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2022-23	CHERRY SEHGAL	DMYP58674D	22,00,000	-	-		22,00,000	NIL
2022-23	AKANKSHA GULATI	ANQPG5418B	27,80,000	7,00,000	2,50,000	ALL THROUGH BANKING CHANNEL	32,10,000	NIL
2022-23	DHIRAJ BAKSHI	ANCPB6672L	20,00,000	-	-		20,00,000	NIL
2022-23	DOLLAR GULATI HUF	AAKHD3477Q	13,10,000	15,50,000	-		28,60,000	NIL
2022-23	SANJAY VERMA	ACUPV7401N	2,00,000	-	-		2,00,000	NIL
2022-23	BHARTI SEHGAL	ATGPS7517M	2,74,500	20,00,000	29,00,000		(6,25,500)	NIL
		ATGPS7517M						
		TOTAL	2,55,17,530	57,30,000	31,50,000		2,80,97,530	

34. Thus, it is discernible from the facts of the case, that the Revenue has duly considered the objections raised by the assessee and for the purpose of '*coordinated enquiries, investigations and administrative convenience*' passed the impugned order.

35. Similarly, in W.P.C. 4086/2024, the impugned order dated 20 February 2024 was in question, the relevant extracts of which are reproduced herein for reference:-

"The above assessee, above mentioned assessee, had filed their objections to the proposed transfer of jurisdiction vide their email dated 07.11.2023. The assessee's reply were sent to O/o the Pr.CIT(Central), Gurugram for review and comments. Vide letter no. 925 and 930 dated 15.02.2024 received in this Office from DDIT(Inv.), Panipat, rebuttal to the objections raised by Sh. Navdeep Chhabra (PAN : ABDPC9877B) and Sh. Mark Gulati (PAN : AZAPG9859N) were provided.

On perusal of the above referred letters, following observation/inference has been drawn :-

1. During the course of search proceedings various incriminating materials have been found. Sh. Dhiraj Bakshi, Sh. Bharti Sehgal and Sh. Anil Chaudhary (close friend/associate of Sh. Rajeev Mukul , MD of Zee lab Group) are partners in various properties in Goa, who were covered under action u/s 132 of the I.T Act,1961. Further, it was found that they work as brokers/agents for many businessmen (i.e Mark & Dollar Gulati, Rajesh Vachher, Sanjay Arora, Kavita Arora, Chandrika Lal etc.) from Delhi-NCR to facilitate acquisition and development of various properties in Goa and route their money (both accounted as well as unaccounted) for development/construction of various properties.

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2. During the course of search proceedings, it was also found that Sh. Jitender alias Rakesh (accountant), who used to live at the residence of Sh. Bharti Sehgal (in Goa at Villa No. 3004, Riviera Hermitage, Double Tree by Hilton, Arpora, Goa) maintained day book and property wise registers of various expenses. Various incriminating registers & documents were seized from the said premise and annexured as A-1 to A-33.

3.. Details of expenses made by Sh. Mark Gulati (PAN – AZAPG9859N) are maintained in Annexures A-7, A-9,A-19, A-23, A-24, A-26,A-29 and A-32. Sh. Mark Gulati had invested INR 4,25,42,951/- (unaccounted expenditure) to construct/develop properties in Goa during the F.Y : 2018-19 to F.Y : 2022-23. This establishes the fact that Sh. Mark Gulati (PAN – AZAPG9859N) has made substantial unaccounted investment with the persons covered during the search proceedings. Details of expenses made by Sh. Navdeep Chhabra (PAN – ABDPC9877B) are maintained in Annexures A-3, A-21, A-22,A-28,A-30 and A-32. Sh. Navdeep Chhabra had invested INR 1,17,11,160/- (unaccounted expenditure) to construct/develop properties in Goa during F.Y : 2022-23. This establishes the fact that Sh. Navdeep Chhabra (PAN – ABDPC9877B) has made substantial unaccounted investment with the persons covered during the search proceedings.

4. The Appraisal report as well as the seized material has already been handed over to the Deputy Commissioner of Income Tax, Central Circle, Karnal. Therefore, for further co-ordinated investigation and enquiries with respect to Sh. Mark Gulati (PAN – AZAPG9859N) and Sh. Navdeep Chhabra (PAN – ABDPC9877B) for their transactions with Zee lab Group & others, it is necessary that both the assesseees are Centralized with DCIT, Central Circle, Karnal.

Considering the aforesaid facts, the assessee's objection has not been found acceptable. Keeping in view the Board's guidelines, the cases need to be centralized in the interest of the revenue. In exercise of powers conferred by Sub Section (2) of Section 127 of the I. T. Act and all other powers enabling me in this behalf, I, the Pr. Commissioner of Income Tax-12, New Delhi, hereby transfer the below mentioned cases particulars of which are mentioned here-under in Column Nos. 2 & 3 from the Assessing Officer mentioned in Column No.4 to the Assessing officer mentioned in Column No.5. This transfer is affected for the purpose of administrative convenience, post search investigation and meaningful assessment."

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36. As it is ostensibly clear that the Revenue before passing the impugned order dated 20 February 2024 has provided the opportunity of hearing to the assessee [Mark Gulati] and considered the assessee's [Mark Gulati] objections, thus, the order would reflect that the Revenue had duly applied its mind and powers under Section 127 was invoked on the grounds of administrative convenience and meaningful assessment.

37. It is imperative to point out that it is crystal clear in light of the discussion noted above that the powers of Section 127 of the Act can be invoked for public interest and administrative convenience. Furthermore, the ground of 'coordinated investigation' is a good ground of transfer as upheld by various decisions quoted above.

38. Furthermore, considering the controversy from another lens of exercising the power of judicial review vested under Article 226 of the Constitution, we find that the present is not a case where the exercise of statutory powers by the authority can be said to be wholly arbitrary, irrational, without jurisdiction or suffers with *mala fide* intention.

Conclusion

39. Therefore, in light of the aforementioned discussion and judicial pronouncements, we are hereby not inclined to interfere with the orders dated 20 February 2024 [W.P.C. 4086/2024] and 11 March 2024 [W.P.(C) 4054/2024] passed under Section 127 of the Act.

40. Furthermore, these observations have been made only for the purpose of deciding the challenge which stands raised before us; they should not be construed to be an expression on the merits of the case or otherwise.



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41. Accordingly and subject to the aforesaid observations, we dismiss these writ petitions. All pending applications shall stand disposed of.

PURUSHAINdra KUMAR KAURAV, J.

YASHWANT VARMA, J.

MAY 07, 2024/MJ

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