HC-KAR

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 16TH DAY OF APRIL, 2026

PRESENT

THE HON'BLE MR. JUSTICE S.G.PANDIT

AND

THE HON'BLE MR. JUSTICE K. V. ARAVIND

WRIT APPEAL No. 1793 OF 2024 (T-IT)

BETWEEN:

1. THE INCOME TAX OFFICER,
WARD-1(2)(1), BENGALURU,
BMTC BUILDING, 80 FEET ROAD,
6TH BLOCK, KORAMANGALA,
BENGALURU-560 095.

2. THE PR. CHIEF COMMISSIONER
OF INCOME TAX
KARNATAKA AND GOA,
C. R. BUILDING, QUEENS ROAD,
BENGALURU-560 001.

Digitally signed by VINUTHA B S
Location: High Court of Karnataka

3. ASSESSMENT UNIT,
NATIONAL FACELESS ASSESSMENT CENTRE,
INCOME TAX DEPARTMENT,
MINISTRY OF FINANCE,
ROOM No.401, 2ND FLOOR,
E RAMP, JAWARLAL NEHRU STADIUM,
DELHI-110 003.

...APPELLANTS

(BY SRI Y. V. RAVIRAJ, SENIOR STANDING COUNSEL)

AND:

1. JOSEPH CHACKO,
SON OF P. J. CHACKO,

AGED ABOUT 64 YEARS,
110/1, GOLDENSUN FARMS,
CHAGELETTI, BAGALUR POST,
BENGALURU-562 149.

…RESPONDENT

(BY SRI HEMANTH PAI, ADVOCATE AND
SRI S.V. RAVISHANKAR, ADVOCATE FR
SMT. LOCHANA S. BABU, ADVOCATE)

THIS WRIT APPEAL IS FILED UNDER SECTION 4 OF THE KARNATAKA HIGH COURT ACT PRAYING TO SET ASIDE THE ORDER PASSED BY THE LEARNED SINGLE JUDGE IN WP No.6591/2024 DATED 12/06/2024.

THIS APPEAL, COMING ON FOR PRELIMINARY HEARING, THIS DAY, JUDGMENT WAS DELIVERED THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE S.G.PANDIT
and
HON'BLE MR. JUSTICE K. V. ARAVIND

ORAL JUDGMENT

(PER: HON'BLE MR. JUSTICE K. V. ARAVIND)

Heard Sri.Raviraj Y.V., learned Senior Standing counsel for the appellants and Sri. Hemanth Pai and Sri. S.V. Ravishankar, learned counsel for Smt. Lochana S. Babu, learned counsel for the respondent.

2. This intra-court appeal under Section 4 of the High Court Act, 1961 is preferred by the Revenue, assailing the order dated 12.06.2024 passed in WP No.6591/2024.

3. The respondent had filed the writ petition questioning the notice issued under Section 148 and the order passed under Section 147 of the Income Tax Act, 1961 (for short, "the Act"), as well as the show cause notice issued under Section 271 (1) (c) of the Act, on the ground that the sanction granted under Section 151 by the competent authority, being unsigned, is unsustainable, and consequently, all further proceedings are vitiated.

3.1 The learned Single Judge accepted the said contention and set aside all the proceedings subsequent to the notice issued under Section 148A(d), and remitted the matter to the stage immediately following the issuance of the notice under Section 148A(d).

4. Sri Y.V. Raviraj, learned Senior Standing Counsel appearing for the appellant–Revenue, submits that once approval is granted in a paperless environment, the affixture of signature is inconsequential. It is contended that such approval stands duly authenticated by the DIN generated online.

4.1 It is further submitted that the non-affixing of a signature is a curable defect and would not vitiate the proceedings. Learned counsel, placing reliance on Section 292BC of the Act, as inserted by the Finance Act, 2026 with retrospective effect, contends that the absence of a signature would not invalidate the reassessment proceedings.

5. *Per contra*, Sri Hemanth Pai, learned counsel, and Sri S.V. Ravishankar, learned counsel appearing for Smt. Lochana S. Babu, learned counsel for the respondent, submit that compliance with Section 151 of the Act is a mandatory requirement and goes to the root of jurisdiction. It is contended that non-compliance with Section 151 cannot be treated as a curable defect.

5.1 It is further submitted that proceedings vitiated by a jurisdictional error cannot be validated by subsequent legislation with retrospective effect. Learned counsel also contends that, in the absence of an opportunity to examine the retrospective applicability of Section 292BC of the Act, the present matter cannot be adjudicated by invoking the said provision.

6. Having considered the submissions made by learned counsel for both parties, the dispute centers around compliance with Section 151 of the Act. The core issue for consideration is whether the authority granting approval or sanction under Section 151 is required to affix a signature on such approval, even when the approval bears a DIN, thereby authenticating the document.

6.1 During the pendency of this appeal, Section 292BC was inserted with retrospective effect. The impact of Section 292BC on the issue in question necessitates reconsideration upon appropriate pleadings being made in the writ petition. In an appeal preferred by the Revenue, the respondent–assessee cannot be permitted to raise fresh pleadings with regard to the retrospective applicability or otherwise of Section 292BC.

6.2 If Section 292BC is to be invoked, the respondent–assessee must be afforded a reasonable opportunity to address its applicability. Such an exercise can be effectively undertaken only if the order of the learned Single Judge is set aside and the writ petition is restored for fresh consideration.

7. In light of the observations made hereinabove, the following order is passed:

O R D E R

(i) Writ appeal is ***allowed***.

(ii) The order in Writ Petition No.6591/2024 is hereby set aside.

(iii) Writ Petition No.6591/2024 is remitted for further consideration.

(iv) The respondent is at liberty to raise plea regarding the applicability of Section 292BC in the writ petition.

(v) Contentions of both the parties are left open.

(vi) No orders as to costs.

Sd/-
(S.G.PANDIT)
JUDGE

Sd/-
(K. V. ARAVIND)
JUDGE

VBS
List No.: 1 Sl No.: 5