Pr. Commissioner of Income-tax-2, Bengaluru & Anr. v. M/s. Yeshoda Electricals

ITA No. 261 of 2021 c/w ITA No. 264 of 2021

2025:KHC:38487-DB | ITA No. 261 of 2021 c/w ITA No. 264 of 2021 (Karnataka High Court, decided 24 September 2025) | 2025-09-24

Unsigned section 148 notice held a foundational jurisdictional defect; section 282A authentication did not dispense with signature.

Income-tax Act, 1961: sections 40(a)(ia), 144, 147, 148, 260A, 282A and 292B

High Court of Karnataka | 2-judge bench (Division Bench) | Hon'ble Mr. Justice S.G. Pandit | Hon'ble Mr. Justice K.V. Aravind

Assessment years: 2007-08

01 FACTS OF THE CASE

For AY 2007-08, a section 148 notice dated 22 March 2012 was served without the AO's signature. No return followed; paragraph 4 records objections dated 22 March 2013 and assessment under sections 144/147 on 25 March 2013. CIT(A) validated the notice but deleted a section 40(a)(ia) addition. The ITAT's common order dated 3 February 2021 in ITA 1175 and 1176/Bang/2016 invalidated the reassessment; Revenue brought ITA 261 and 264/2021.

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02 DISCUSSION BY THE HON'BLE COURT

The Court held signature essential to completion of issuance of a jurisdictional section 148 notice. Non-objection could not validate an otherwise invalid notice. Section 282A(2), deeming authentication where the designated authority's name and office appear, did not remove the signing requirement. ZF Steering Gear had directed consideration of objections without holding an unsigned notice valid; Sky Light Hospitality involved different facts.

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03 JUDICIAL DECISION

Both appeals were dismissed and the substantial questions answered for the assessee and against Revenue. The Tribunal was justified in invalidating the assessment.

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04 OUTCOME / IN WHOSE FAVOUR

The unsigned-notice defect defeated the reassessment. The Court did not determine the underlying tax addition on its merits.

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05 EXPERT COMMENTS

AKHB EXPERT COMMENTS — editorial analysis, distinct from the Court's findings.

Authentication did not substitute for the required signature — The reasoning distinguishes the authority's printed name and office from the act of signing a jurisdictional notice. On the undisputed unsigned notice, section 282A did not assist Revenue. For another notice, inspect the actual issued document and applicable authentication method; this judgment does not separately resolve technical disputes about electronic signatures.

A fundamental defect was not cured by alleged conduct — Revenue relied on the taxpayer's failure to object promptly; the Court said conduct could not validate the otherwise invalid notice. That is the operative legal distinction from a merely curable mistake. The cited precedents were distinguished, not treated as an across-the-board rejection of all notice-curing provisions.

The objection chronology is internally inconsistent — Paragraph 4 gives 22 March 2013 for objections following a 22 March 2012 notice, whereas paragraph 11 describes objection on the very next date. The source does not reconcile those statements. Reliance on the precise chronology requires the underlying objections; the Court's independent reasoning that non-objection cannot validate the unsigned notice remains explicit.

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SOURCE & VERIFICATION

High Court of Karnataka official judgment PDF — AKHB Repository (20250924_KAHC010269882021.pdf)

10-page official High Court of Karnataka order/judgment PDF (20250924_KAHC010269882021.pdf, 110,435 bytes).

All 10 original pages read and visually inspected; all five panels audited.

Open cited source rendition

All 10 physical pages of 20250924_KAHC010269882021.pdf (110,435 bytes, SHA-256: ded2ec82dd79a2e360b9563c39a668c9a32395e8931a70c32541672e6752dc31) extracted and verified page-by-page. Google Drive File ID in 1_Substantive_Precedents: 1rebRKp5teJAX-vwbQx06XpLCcE4XdDIF.

STATUTORY SCOPE

The case concerns an undisputedly unsigned notice dated 22 March 2012. Section 292B appears in the admitted question; the Court's detailed statutory analysis concerns section 282A. No independent digital-authentication issue is analysed.

LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment has not been independently verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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