

Sri Venkataramanappa v. The Income Tax Officer, Ward-3(2)(3), Bangalore

Income Tax Appeal No. 284 of 2022

ITA No. 284 of 2022 (Kar HC, decided 31.07.2026) | 2026-07-31

Failure by AO to pass a speaking order disposing of assessee's objections to section 148 reopening as required by GKN Driveshafts vitiates the reassessment order but does not obliterate initial section 148 jurisdiction; ITAT rightly remanded to AO to dispose of objections first.

Income-tax Act, 1961: sections 143(3), 147, 148 and 260A

High Court of Karnataka at Bengaluru | 2-judge bench (Division Bench) | S.G. Pandit, J. | Rajesh Rai K, J.

Assessment years: 2009-10

Distinguishes coordinate bench outcomes in Deepak Extrusions & Hewlett Packard Financial Services

In paragraphs 10-15 (PDF pp. 10-16), the Division Bench holds that consequential quashing directions in earlier coordinate bench orders were not preceded by adjudication of the choice between remand and outright quashing, and therefore do not constitute binding ratio.

01 FACTS OF THE CASE

For AY 2009-10, the AO issued a section 148 notice on 29.03.2016 and supplied reasons for reopening, to which the assessee, Sri Venkataramanappa, filed detailed objections on 24.10.2016. Without passing a speaking order disposing of the objections, the AO passed the reassessment order under section 143(3) r/w section 147 on 30.12.2016, which the CIT(A) affirmed on 01.12.2017. By order dated 17.09.2021 (ITA No. 304/Bang/2018), the ITAT set aside the reassessment order dated 30.12.2016 and remanded the matter to the AO to first dispose of the objections. The assessee appealed under section 260A contending that non-disposal of objections rendered the entire proceeding a nullity and citing an ITAT order in the co-owner's case (Shri Lakshmana v. ITO) as well as coordinate bench rulings including Deepak Extrusions and Hewlett Packard Financial Services.

Source: [Paragraphs 1-6; PDF pp. 2-7 \(20260731_KAHC010238002022.pdf\)](#)

02 DISCUSSION BY THE HON'BLE COURT

Analysing GKN Driveshafts (India) Ltd. v. ITO, (2003) 1 SCC 72 and four coordinate bench decisions (Deepak Extrusions, Swadesh Trading Co., Mphasis Ltd., and Hewlett Packard Financial Services), the Division Bench held that none of the earlier coordinate bench rulings had framed or adjudicated the legal question whether, upon setting aside a reassessment order for non-disposal of objections, the proceedings must be restored to the stage of objections or quashed in toto (applying M.P. Gopalakrishnan Nair v. State of Kerala, (2005) 11 SCC 45). The Court held that the section 148 notice is the statutory foundation for assuming jurisdiction, and failure to dispose of objections is a procedural supervening defect in continuing the reassessment that does not obliterate validly assumed jurisdiction. Restoring the proceedings to the stage immediately after filing of objections fully achieves the object of GKN Driveshafts.

Source: [Paragraphs 8-15; PDF pp. 8-16 \(20260731_KAHC010238002022.pdf\)](#)

03 JUDICIAL DECISION

Answering Substantial Questions of Law Nos. 1 and 2 against the assessee and in favour of the Revenue (and holding that Question No. 3 did not arise), the High Court upheld the ITAT's remand order and dismissed ITA No. 284 of 2022.

Source: [Paragraphs 15-16; PDF p. 16 \(20260731_KAHC010238002022.pdf\)](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of the Revenue; Questions 1 & 2 answered against assessee, upholding ITAT remand to AO to dispose of reopening objections.

Source: [Paragraph 16; PDF p. 16 \(20260731_KAHC010238002022.pdf\)](#)

05 AKHB REVIEW POINT

AKHB analysis: Critical Karnataka High Court precedent distinguishing Deepak Extrusions and Hewlett Packard Financial Services (2026) 183 taxmann.com 596: non-disposal of GKN Driveshafts objections vitiates the reassessment order but does not void the underlying section 148 notice, resulting in a remand to the AO to pass a speaking order on objections.

Source: [Full judgment PDF \(16 pp.\)](#)

SOURCE & VERIFICATION

[Original judgment PDF \(20260731_KAHC010238002022.pdf\)](#)

Reviewed from the complete 16-page official High Court judgment PDF (20260731_KAHC010238002022.pdf, SHA-256: b385811cd8178377fdcedc88fb824b6d6de2c5b14e386eba57a2c6b6463de602).

Supplied source-reviewed note retained; original bytes and identity validation checked in this release. Substantive re-review is not claimed for this record.

Open cited source rendition

Primary source verified page-by-page (16 physical pages, 126,334 bytes, SHA-256:

b385811cd8178377fdcedc88fb824b6d6de2c5b14e386eba57a2c6b6463de602). Cloud Google Drive File ID:

15QC8AjOfKoxOIFid7Rfz-MWKKxdEJenX

(<https://drive.google.com/file/d/15QC8AjOfKoxOIFid7Rfz-MWKKxdEJenX/view>).

STATUTORY SCOPE

Refers to the Income-tax Act, 1961 and allied statutory rules/circulars as applicable to the relevant assessment years.

LATER TREATMENT

Source checked 2026-10-18. No subsequent Supreme Court reversal or stay is recorded in the source judgment text.

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.

PROFESSIONAL DISCLAIMER

General research information only; not legal or tax advice, a certified judgment or a substitute for the full order. Applicability depends on facts, assessment year, statutory version and jurisdiction. Subsequent treatment is unverified unless identified sources are expressly stated. Downloading does not create a professional engagement. Obtain case-specific advice before reliance.