IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 29TH DAY OF JANUARY, 2026

PRESENT

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

AND

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

INCOME TAX APPEAL NO.69 OF 2024

BETWEEN:

1. THE PR. COMMISSIONER OF INCOME-TAX,
   5TH FLOOR, BMTC BUILDING,
   80 FEET ROAD, KORAMANGALA,
   BENGALURU - 560 095.

2. THE ASST. COMMISSIONER OF INCOME TAX
   CENTRAL CIRCLE - 1(1),
   PRESENT ADDRESS
   THE DEPUTY COMMISSIONER OF INCOME-TAX,
   CIRCLE - 3(1)(1), 2ND FLOOR,
   BMTC BUILDING, 80 FEET ROAD,
   KORAMANGALA, BENGALURU - 560 095.

...APPELLANTS

Digitally signed by VALLI MARIMUTHU
Location: HIGH COURT OF KARNATAKA

(BY SRI. SUSHAL TIWARI N, ADVOCATE)

AND:

SHRI. RAMESH RAMACHANDRA RAO,
NO.98, SATHYANARAYANA LAYOUT,
3RD STAGE, 4TH BLOCK,
BASAVESHWAR NAGAR,

BENGALURU - 560 079
PAN: ADFPF 5086H.

…RESPONDENT

(BY SRI. ANNAMALAI.S., ADVOCATE)

THIS ITA/INCOME TAX APPEAL IS FILED UNDER SEC.260-A OF INCOME TAX ACT 1961, ARISING OUT OF ORDER DATED 14.02.2022 PASSED IN ITA NO. 160/BANG/2021, FOR THE ASSESSMENT YEAR 2011-2012 PRAYING TO 1. FORMULATE THE SUBSTANTIAL QUESTIONS OF LAW STATED THEREIN. 2. ALLOW THE APPEAL AND SET ASIDE THE ORDERS PASSED BY THE INCOME-TAX APPELLATE TRIBUNAL, BENGALURU IN ITA NO. 160/BANG/2021 DATED 14.02.2022 FOR ASSESSMENT YEAR 2011-2012 ANNEXURE-A AND CONFIRM THE ORDER OF THE APPELLATE COMMISSIONER CONFIRMING THE ORDER PASSED BY THE DEPUTY COMMISSIONER OF INCOME TAX, CIRCLE 3(1(1), BENGALURU.

THIS APPEAL, COMING ON FOR ORDERS, 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)

This appeal under Section 260A of the Income Tax Act, 1961 (for short, "the IT Act") is filed by the appellants–Revenue challenging the order dated 14.02.2022 passed by the Income Tax Appellate Tribunal, Bengaluru, in ITA No.160/Bang/2021, (for short, "the Tribunal") relating to the Assessment Year 2011–12. Along with the appeal, I.A. No.2/2024 has been filed seeking condonation of a delay of 574 days in preferring the appeal.

2. Heard the learned counsel for the parties on delay and merits.

3. The Assessing Officer completed the assessment under Section 153C of the IT Act, by order dated 27.03.2015. The assessment was based on the seized material found during the course of search conducted in the case of M/s. R.R. Gold Palace Pvt. Ltd. The Assessing Officer determined the tax liability in the said assessment order. Aggrieved by the same, the assessee preferred an appeal before the Commissioner of Income Tax (Appeals) [CIT(A)], Bengaluru. The Appellate

Commissioner, by order dated 19.03.2021, dismissed the appeal.

3.1 Being further aggrieved, the assessee preferred an appeal before the Tribunal. The Tribunal, by the impugned order dated 14.02.2022, set aside the additions made on the ground that the additions to a concluded assessment were not based on any material found during the course of search. In doing so, the Tribunal placed reliance on the judgment of this Court in ***CIT v. IBC Knowledge Park Pvt. Ltd.***, reported in ***(2016) 385 ITR 346.***

4. Sri Annamalai S., learned counsel appearing for the respondent–assessee, in addition to opposing the application for condonation of delay, submits that the order passed by the Tribunal is founded on the judgment of this Court in ***IBC Knowledge Park Pvt. Ltd.*** (supra), which has attained finality. Learned counsel further submits that the additions made in the assessment order passed under Section 153C of the IT Act, to a concluded assessment are not based on any material found during the course of search and, therefore, such additions are unsustainable in view of the law laid down by this

Court in ***IBC Knowledge Park Pvt. Ltd.*** (supra). Hence, it is contended that no substantial question of law arises for consideration by this Court.

5. Sri Sushal Tiwari N., learned Standing Counsel appearing for the appellants–Revenue, is not in a position to dispute the aforesaid submissions.

6. The Tribunal has held that the additions made to a concluded assessment in proceedings under Section 153C of the IT Act, were not based on any material found during the course of search and, therefore, such additions are unsustainable. This Court, in ***IBC Knowledge Park Pvt. Ltd.*** (supra), has held that the incriminating material must relate to undisclosed income so as to empower the Assessing Officer to reopen or disturb a concluded assessment of the other person. In the absence of such incriminating material, disturbing a concluded assessment would be without any legal basis and is impermissible in law.

7. In view of the law laid down by this Court in ***IBC Knowledge Park Pvt. Ltd.*** (supra), we are of the considered

view that no substantial question of law arises for consideration in this appeal.

8. As we are not inclined to entertain the appeal due to no substantial question of law being involved, the application for condonation of delay, as well as the appeal, stand dismissed.

Sd/-
(S.G.PANDIT)
JUDGE

Sd/-
(K. V. ARAVIND)
JUDGE

SMJ
List No.: 1 Sl No.: 1