IN THE HIGH COURT OF JUDICATURE AT BOMBAY
NAGPUR BENCH, NAGPUR.

Income Tax Appeal No. 3 of 2023
[Pramod Agrawal HUF, through its Karta Shri Pramod Agrawal
vs. The Pr. Commissioner of Income Tax-2, Nagpur]

Office Notes, Office Memoranda of Coram, Appearances, Court's orders or directions and Registrar's orders.	Court's or Judge's orders

Mr. Kapil Hirani, Advocate for the appellant
Mr. Anand Parchure, Advocate for the respondent

CORAM: ANIL L. PANSARE AND RAJ D. WAKODE, JJ.

DATE : 12-12-2025.

Heard.

2. The assessment order granting benefit of long term capital gain was reopened under Section 147 of the Income Tax Act, 1961 (for short 'the Act of 1961'). After reopening, the Assessment Officer issued multiple notices calling upon the petitioner to justify that the long term capital gain as claimed on account of sale of shares of Nouveau Global Ventures Limited was genuine transaction. The petitioner responded to each notice. The Assessing Officer, after having gone through the information so supplied by the petitioner, held that the return of the petitioner - assessee was acceptable.

3. Revenue Audit Party (RAP), which is admittedly internal audit division of the Income Tax Department, has raised an objection in respect of long term capital gain claimed by the petitioner saying

that the Assessing Officer has not examined the issue, not tested and verified the same during the course of assessment proceedings. This objection has been found to be acceptable by the PCIT and accordingly under Section 263 of the Act of 1961 issued notice to the petitioner. The petitioner responded to the same. The PCIT found that Assessing Officer has not properly verified the record and accordingly remanded the matter back for assessment.

4. Having heard both sides, following substantial question of law arise for consideration.

> Whether PCIT could have invoked provisions under Section 263 of the Act of 1961 only on the basis of objection raised by RAP without recording reasons as to why the proceedings before the Assessing Officer and result thereon was erroneous and was prejudicial to the interest of the revenue ?

5. **Admit.**

6. Mr. Anand Parchure, learned counsel waives notice for the respondent.

(JUDGE) **(JUDGE.)**

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