NC: 2026:KHC:11915-DB
ITA No. 16 of 2025

HC-KAR

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 26TH DAY OF FEBRUARY, 2026

PRESENT

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

AND

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

INCOME TAX APPEAL No.16 OF 2025

BETWEEN:

LATE SHRI GOPALIYENGAR
MADABUSHI MURALIDHAR,
AGED ABOUT 60 YEARS,
REP. BY HIS
LEGAL REPRESENTATIVE
SMT. DAKSHAYANI MURALIDHAR,
NO.733, 14TH MAIN,
18TH CROSS,
BANASHANKARI 2ND STAGE,
BENGALURU-560 070.
PAN : ABTPM6528K

...APPELLANT

(BY SRI. KIRATH SINGH MARHAS, ADV. FOR
SMT. LOCHANA S BABU, ADV.)

AND:

THE INCOME TAX OFFICER
WARD - 7(2) (4),
BMTC BUILDING,
80 FEET ROAD,
6TH BLOCK,
KORAMANGALA,
BENGALURU-560 095.

...RESPONDENT

(BY SRI. E.I.SANMATHI, SENIOR STANDING COUNSEL)

THIS INCOME TAX APPEAL UNDER SEC.260-A OF INCOME TAX ACT 1961, ARISING OUT OF ORDER DATED 08.08.2024 PASSED IN ITA NO. 956/BANG/2023, FOR THE ASSESSMENT YEAR 2016/17 PRAYING TO FORMULATE THE SUBSTANTIAL QUESTION OF LAW STATED ABOVE AND ANSWER THE SAME IN FAVOUR TO THE APPELLANT AND ETC.

THIS APPEAL, COMING ON FOR ADMISSION, 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 is filed by the assessee, impugning the order passed by the Income Tax Appellate Tribunal "C" Bench, Bangalore (for short "the Tribunal"), in ITA No.956/Bang/2023 dated 08.08.2024 for the Assessment Year 2016–17.

2. The assessee filed his return of income for assessment year 2016-17 on 14.01.2016 declaring his income. The case was selected for scrutiny under CASS with category limited scrutiny and notice was served. After the service of notice, the jurisdiction of the Assessing Officer was centralized to the Central Circle, Bengaluru. Thereafter, the said jurisdiction was decentralised on 31.05.2018 to the Income Tax Officer, Ward-4(3)(3), Bengaluru, and was subsequently corrected vide corrigendum dated 05.11.2018 notifying such decentralisation of jurisdiction to the Income Tax Officer, Ward-7(2)(4), Bengaluru.

2.1 The Assessing Officer, Income Tax Officer, Ward-7(2)(4), Bengaluru (Assessing Officer), completed the assessment by order dated 27.12.2018. During the pendency of the assessment proceedings, the assessee expired on 09.11.2017. The assessment, however, was completed in the name of the deceased person.

2.2 The appeal filed against the order of assessment came to be rejected. Aggrieved thereby, the legal representatives of the deceased-assessee preferred an appeal before the Tribunal, contending that the assessment order was unsustainable on two grounds: firstly, that the Income Tax Officer, Ward-7(2)(4), Bengaluru, lacked jurisdiction; and secondly, that the assessment order had been passed against a dead person.

2.3 The Tribunal, by the impugned order, set aside the assessment and directed the Assessing Officer to pass a fresh order of assessment after affording an opportunity to the legal representatives of the deceased-assessee.

3. Sri Kirath Singh Marhas, learned counsel appearing for Smt. Lochana S. Babu, learned counsel for the appellant–assessee, submits that the Assessing Officer had knowledge of the death of the assessee. He further submits that a notice dated 13.12.2018 under Section 142(1) of the Income Tax Act, 1961, was issued to the legal heirs of the deceased assessee, Gopalaiyengar Madabushi Muralidhar.

3.1 It is contended that once the Assessing Officer had knowledge of the death of the assessee, the assessment order passed in the name of a dead person is unsustainable in law. Consequently, it is submitted that an order of remand is impermissible when the original assessment itself was made in the name of a deceased person despite such knowledge.

4. *Per contra*, Sri E.I. Sanmathi, learned Senior Standing Counsel appearing for the respondent, submits

that the notice at Annexure–H dated 13.12.2018, issued under Section 142(1) of the I.T. Act, is genuine.

4.1 Insofar as the question of jurisdiction is concerned, the learned Senior Standing Counsel submits that the case was initially decentralised to the Income Tax Officer, Ward-4(3)(3), and thereafter, by issuance of a corrigendum, the jurisdiction of the assessee was decentralised to the Income Tax Officer, Ward-7(2)(4), Bengaluru. It is contended that the assignment of jurisdiction to the Income Tax Officer, Ward-7(2)(4), Bengaluru, is justified and in conformity with the notifications governing the allotment of jurisdiction.

5. Having considered the rival submissions, we notice from the record that a notice dated 13.12.2018 under Section 142(1) of the I.T. Act was issued to the legal heirs of the deceased assessee, Gopalaiyengar Madabushi Muralidhar. Since the genuineness of the said notice was disputed by the learned Senior Standing Counsel for the

Revenue, we directed him to produce the original assessment records.

5.1 Today, the original assessment record is made available for our perusal. On examination of the records, it is evident that the notice dated 13.12.2018 was indeed issued to the legal heirs of the deceased, Gopalaiyengar Madabushi Muralidhar. This fact clearly establishes that the Assessing Officer had knowledge of the death of the assessee and was, therefore, required to proceed against the legal heirs and afford them due opportunity in accordance with law.

5.2 The order of remand passed by the Tribunal would have been justified had the death of the assessee not been within the knowledge of the Assessing Officer.

6. In view of the peculiar facts and circumstances of the present case, and having regard to the notice dated 13.12.2018 issued by the Assessing Officer to the legal heirs of the deceased, we are of the considered view that

the order of assessment dated 27.12.2018 is unsustainable in law, as it has been passed in the name of a deceased person.

7. The issue regarding jurisdiction of Assessing Officer is kept open as examination of said issue is only academic.

8. For the aforesaid reasons, we set aside the order passed by the Tribunal in ITA No.956/Bang/2023 dated 08.08.2024 for the Assessment Year 2016–17, as well as the assessment order dated 27.12.2018.

9. The appeal is ***disposed of*** accordingly.

Sd/-
(S.G.PANDIT)
JUDGE

Sd/-
(K. V. ARAVIND)
JUDGE

SMJ
List No.: 1 Sl No.: 17