

आयकर अपीलीय अधिकरण, हैदराबाद पीठ
IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad ‘ A ‘ Bench, Hyderabad

श्री विजय पाल राव, उपाध्यक्ष एवं
श्री मधुसूदन सावडिया, लेखा सदस्य के समक्ष ।

Before Shri Vijay Pal Rao, Vice-President
A N D
Shri Madhusudan Sawdia, Accountant Member

आ.अपी.सं / **ITA No. 1791/Hyd/2025**
(निर्धारण वर्ष / Assessment Year: 2015-16)

Shri Venkata Padmavathi Dalapathirao (represented by Dalapathi Venkata Krishna Nagender Rao-Legal Heir), Hyderabad PAN:AFRPD3978E	Vs.	Income Tax Officer Ward 4(1) Hyderabad
(Appellant)		(Respondent)
निर्धारिती द्वारा/Assessee by:	Shri K.A. Sai Prasad, CA	
राजस्व द्वारा/Revenue by:	Shri Mohan Babu, Sr. AR	
सुनवाई की तारीख/Date of hearing:	28/09/2026	
घोषणा की तारीख/Pronouncement:	16/10/2026	

ORDER

Per Madhusudhan Sawdia, A.M.:

This appeal is filed by Shri Venkata Padmavathi Dalapathirao (“the assessee”), feeling aggrieved by the order passed by the Learned Addl./JCIT(A), Panaji (“Ld. First Appellate Authority”) dated 28.08.2025 for the A.Y. 2015-16.

2. The assessee has raised the following grounds of appeal:

1. The Learned First Appellate Authority has erred in law and on facts in upholding the reopening of assessment under Section 147 without fresh tangible material, contrary to settled judicial precedents.
2. The Learned First Appellate Authority has erred in law and on facts in confirming the Assessing Officer's adoption of Sub-Registrar (SRO) guideline rates as against the Fair Market Value (FMV) of the property as on 01.04.1981
- 3a. The Learned First Appellate Authority has erred in ignoring the values adopted by the appellant as fair market value as on 01.04.1981, both for the land and built-up area.
- 3b. The Learned First Appellate Authority has failed to appreciate and consider the Registered Valuer's Report submitted during appellate proceedings and reproduced in the written submissions dated 04.05.2025.
4. The Learned First Appellate Authority has erred in confirming the computation of Long-Term Capital Gains at ₹95,29,171/- without appreciating the appellant's computation based on legally admissible FMV and indexed costs.
5. The Learned First Appellate Authority has erred in law and on facts in confirming the disallowance of ₹3,00,000/- claimed as expenditure incurred in connection with the transfer of property.
6. The appellant craves leave to add, amend or alter any of the grounds at the time of hearing of appeal.



APPELLANT
Represented by Legal Heir

3. The assessee has also raised the following additional grounds before us:

"1. The initiation of proceedings under section 147 through the notice issued under section 148 dated 06th February, 2018, based on the assumption of wrong facts that the Income Tax Return of the relevant A.Y was not filed, is bad in law and void ab-initio, and the consequent re-assessment proceedings and the order passed pursuant thereto are without jurisdiction and liable to be quashed.

2. The initiation of the proceedings which is led by the issuance of notice under section 148 dated 03rd December 2018 is unsigned and hence, the said notice is improper and all the further proceedings initiated are bad in law”.

4. The Learned Authorized Representative (“Ld. AR”) submitted that additional grounds so filed are admissible in view of judgment rendered by the Hon’ble Supreme Court in the case of National Thermal Power Co. Ltd. Vs. CIT (1998) 229 ITR 383 (SC). The Learned Departmental Representative (“Ld. DR”) also did not raise any objection for admission of the additional grounds. The prayer for admission of additional grounds noted above which are not in memorandum of appeal are being admitted for adjudication in terms of Rule 11 of the Income Tax (Appellate Tribunal) Rules, 1963 owing to the fact that objections raised in additional grounds are legal in nature for which relevant facts are stated to be emanating from the existing records.

5. The brief facts of the case are that the Assessing Officer (“AO”) completed the assessment for the Assessment Year 2015-16 under section 143(3) read with section 147 of the Income-tax Act, 1961 (“the Act”), vide order dated 27.12.2018, making an addition of Rs.63,29,191/- on account of long-term capital gains arising from the sale of immovable property.

6. Aggrieved by the assessment order, the assessee preferred an appeal before the Ld. CIT(A), who confirmed the addition made by the AO and dismissed the appeal of the assessee.

7. Aggrieved by the order of the Ld. CIT(A), the assessee is in appeal before this Tribunal. At the outset, the Learned Authorized Representative ("Ld. AR") submitted that in Additional Ground No. 2, the assessee has challenged the validity of the notice issued under section 148 of the Act on the ground that it does not bear the signature of the AO. In this regard, the Ld. AR invited our attention to the copy of the notice issued under section 148 of the Act, placed at page no. 22 of the paper book, and submitted that the said notice does not bear either the manual signature or the digital signature of the AO. He contended that an unsigned notice under section 148 of the Act is invalid and cannot confer jurisdiction upon the AO to initiate reassessment proceedings. Consequently, the assessment order passed pursuant to such notice is also without jurisdiction and liable to be quashed. In support of this contention, the Ld. AR relied upon the decision of the Hon'ble Bombay High Court in the case of Prakash Krishnavtar Bhardwaj Vs. ITO, reported in 451 ITR 27.

8. Per contra, the Learned Departmental Representative ("Ld. DR") relied upon the orders of the lower authorities.

9. We have heard the rival submissions and perused the material available on record including the case law relied upon. We have examined the copy of the notice issued under section 148 of the Act, placed at page no. 22 of the paper book, which is to the following effect:



GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT
OFFICE OF THE INCOME TAX OFFICER
WARD 4(1),HYDERABAD

To,

VENKATA PADMAVATHI DALAPATHIRAO
FLAT NO 401, BLOCK NO A GLODEN HABITAT
APARTMENTS , ADJ. RATNADEEP STORES
KONDAPUR
HYDERABAD 500084 , Telangana
India

PAN:
AFRPD3978E

AY:
2015-16

Dated:
03/12/2018

Notice No :
ITBA/AST/SI/148/2018-19/1013977526(1)

Notice Under Section 148 Of The Income Tax Act, 1961

Sir/ Madam/ M/s,

Whereas I have reasons to believe that your Income chargeable to Tax for the Assessment Year 2015-16 has escaped Assessment within the meaning of section 147 of the Income Tax Act, 1961.

I, therefore, propose to assess/ re-assess the income/ loss for the said Assessment Year and I hereby require you to deliver to me within 15 days from the service of this notice, a return in the prescribed form for the said Assessment Year.

This notice is being issued after obtaining the necessary satisfaction of the RANGE-4,HYDERABAD

SURESH PALLAKONDA
WARD 4(1),HYDERABAD

Certified True Copy

(Signature)
P Yashodhan
Chartered Accountant

10. On perusal of the above, we find that the said notice does not bear any signature of the AO, either manual or digital. The issue, therefore, is whether such an unsigned notice can constitute a valid notice under section 148 of the Act and confer jurisdiction upon the AO to proceed with the reassessment. In this regard, we have also gone through para no. 21 of the judgment of the Hon'ble Bombay High Court in the case of Prakash Krishnavtar Bhardwaj Vs. ITO (supra), which is to the following effect:

"21. We are, therefore, of the considered opinion that in the present case, the notice u/s.148 dated 02.04.2022 having no signature affixed on it, digitally or manually, the same is invalid and would not vest the Assessing Officer with any further jurisdiction to proceed to reassess the income of the petitioner. Consequently, the notice dated 02.04.2022 u/s.148 of the Act issued to the petitioner being invalid and sought to be issued after three years from the end of the relevant assessment year 2015-16 with which we are concerned in this petition, any steps taken by the respondents in furtherance of notice dated 21.03.2022 issued under clause (b) of section 148A of the Act and order dated 02.04.2022 issued under clause (d) of section 148A of the Act, would be without jurisdiction, and therefore, arbitrary and contrary to Article 14 of the Constitution of India. Consequently, we quash and set aside the notice dated 02.04.2022 issued by the respondents u/s.148 of the Act, order dated 02.04.2022 under clause (b) of section 148A of the Act and notice dated 21.03.2022 issued under clause (b) of section 148A of the Act."

11. On perusal of the above, we find that the Hon'ble High Court has categorically held that a notice issued under section 148 of the Act, having no signature affixed to it, either digitally or manually, is invalid and would not vest the AO with jurisdiction to proceed to assess the income of the assessee. In the present case, the notice issued under section 148 of the Act likewise does not bear either the manual signature or the digital signature of the AO. Thus, the facts before us are covered by the aforesaid decision. The issuance of a valid notice under section 148 of the Act is a prerequisite for assuming jurisdiction to undertake reassessment proceedings. In the absence of a valid notice, the assessment proceedings undertaken pursuant thereto cannot be sustained. Accordingly, respectfully following the decision of the Hon'ble Bombay High Court in the case of Prakash

Krishnavtar Bhardwaj Vs. ITO (supra), we hold that the unsigned notice issued under section 148 of the Act is invalid. Consequently, the assessment order dated 27.12.2018, passed under section 143(3) read with section 147 of the Act pursuant to such notice, is without jurisdiction and is hereby quashed.

12. Since the assessment order has been quashed on the aforesaid legal ground, the remaining grounds raised by the assessee have become academic and do not require separate adjudication.

13. In the result, the appeal of the assessee is allowed.

Order pronounced in the Open Court on 16th October, 2026.

Sd/- (VIJAY PAL RAO) VICE PRESIDENT	Sd/- (MADHUSUDAN SAWDIA) ACCOUNTANT MEMBER
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Hyderabad, dated 16th October, 2026.

Vinodan/sps

Copy to:

S.No	Addresses
1	Shri Venkata Padmavathi Dalapathrao (rep.by Dalapathi Venkata Krishna Nagender Rao (L/H) Flat No.401, A Block, Golden Habitat Apartment, Lane next to Ramdeep S. Kondapur, B.O Serilingampally, Hyderabad 500084, Telangana
2	Income Tax Officer, Ward-4(1) Hyderabad
3	Pr. CIT, Hyderabad
4	DR, ITAT Hyderabad Benches
5	Guard File

By Order

TUMMALACHARLA
LAKSHMI
NARAYANA

Digitally signed by TUMMALACHARLA
LAKSHMI NARAYANA
DN: cn=TUMMALACHARLA LAKSHMI
NARAYANA, c=IN, o=INCOME TAX
APPELLATE TRIBUNAL, ou=INCOME TAX
APPELLATE TRIBUNAL, CHENNAI BENCH
Date: 2026.10.16 14:48:10 +05'30'