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**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

CWP-28808-2019 (O&M)
Date of Decision :11th August, 2020

M/s Kundan Rice Mills

Petitioner

Versus

Principal Commissioner of Income Tax

Respondent

CORAM: JUSTICE S. MURALIDHAR
JUSTICE AVNEESH JHINGAN

* * *

Present : Ms. Radhika Suri, Senior Advocate with
Mr. M.S. Kanda, Advocate for the Petitioner.

Mr. Sandeep Goyal, Advocate for the Respondent.

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Dr. S. Muralidhar, J.

1. One of the grounds in the present petition challenging the order dated 23rd September, 2019 passed by the Principal Commissioner of Income Tax, Karnal under Section 127 of the Income Tax Act, 1961('IT Act'), transferring the case involving the Petitioner to the Assessing Officer, Central Circle-14, New Delhi is that it is not a reasoned order.

2. The operative portion of the impugned order reads as under:

> "In response to above, the assessee filed a reply dated 27.08.2019 and requested to grant an opportunity of being heard before the final decision on this regard. Accordingly, final opportunity of being heard was granted to the assessee vide this office letter/notice dated 09.09.2019 fixing the case of 16.09.2019. In response to the same, the assessee filed the reply on 16.09.2019 and 23.09.2019. The replies of the assessee were considered carefully and after consideration, the same were not found tenable."

3. Mr. Sandeep Goyal, learned Counsel for the Respondent, is not able to dispute that the above order is not a reasoned one and thus is contrary

to a whole line of decisions of the Supreme Court including the one in ***Ajanta Industries v. Central Board of Direct Taxes (1976) 102 ITR 281 (SC).***

4. Consequently, on the short ground that the impugned order dated 23rd September, 2019 is unreasoned, the same is set aside and the matter concerning the order under Section 127 of the I.T. Act is remitted to the Principal Commissioner, Income Tax, Karnal to be continued from the stage of the reply of the Assessee having been filed on 16th and 23rd September, 2019.

5. The Principal Commissioner, Income Tax, Karnal will now pass a fresh reasoned order dealing with all the submissions of the assessee not later than 30th October, 2020 and communicate the same to the Petitioner not later than 6th November, 2020.

6. If such order is adverse to the Petitioner, it will be open to it to seek appropriate remedies in accordance with law.

7. The writ petition is disposed of in above terms. The pending applications, if any, are disposed of.

[S. MURALIDHAR]
JUDGE

[AVNEESH JHINGAN]
JUDGE

11th August, 2020
Pankaj baweja

Whether speaking / reasoned : Yes / No

Whether reportable : Yes / No