IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

WRIT PETITION NO.200 OF 2020

M/s. Gatsby Trading Private Limited ….Petitioner

V/s.

Income Tax Officer, Ward 12 (2)(3) ….Respondent

Mr. Alok Vajpeyi i/b. Mr. Sankalp Sharma for petitioner.
Mr. Sham V. Walve for respondent.

CORAM : K.R. SHRIRAM &
R.N. LADDHA, JJ.
DATED : 21st JANUARY 2022

P.C. :

1 Mr. Vajpeyi states that he is instructed by Mr. Sankalp Sharma to appear for petitioner and Mr. Sharma will file his Vakalatnama within one week from today and also serve a copy thereof upon Mr. Walve. Statement accepted as undertaking to this Court.

2 At the outset, counsel for petitioner was unable to assist the Court and was not even willing to go on with the matter. We have perused the petition with the assistance of Mr. Walve.

3 Petitioner is impugning a notice dated 30th March 2019 issued under Section 148 of the Income Tax Act, 1961 (the said Act) for Assessment Year 2012-2013 and an order dated 16th December 2019 disposing the objections to the initiation of reassessment proceedings.

4 The reasons for reopening read as under :

> *The assessee company is a Pvt. Ltd. Company. The return of income was filed by the assessee on 30.09.2012 declaring total income (-) 22,905/-. Processing u/s 143(1) of the Act*

was completed on 13.03.2014 subsequently the case was selected for scrutiny and order u/s 143(3) of the Act was passed on 11.03.2015 accepting the loss of 22,905/-.

2. In this case, information has been received from O/o DDIT (Inv.), Unit 4(2), Mumbai vide letter No.DDIT (Inv.)-4(2)/ Information/KRP/2018-19 dated 15.03.2019 that in the account no.111611100001839 of M/s Backer Trading Pvt. Ltd. with Andhra Bank huge credits from Demrock and Sterling Biotech are seen which are immediately passed on to Gatsby Trading Pvt. Ltd. along with some other parties. Statements under oath of the Directors of M/s Backer Trading Pvt. Ltd. were recorded and it was found that both the directors were non-filers of Income-tax Returns for A.Y. 2012-13. It was also seen from the ITR of M/s Backer Trading Pvt. Ltd. has shown meager income of Rs.1,76,823/- vis-a-vis its turnover for A.Y. 2012-13.

3. The investigations made revealed that M/s Backer Trading Pvt. Ltd. is not involved in any genuine business but is an entity used for routing transactions of accommodation entries. Further it is seen that huge credits to the tune of Rs.2,71,06,36,923/- have been received in the Bank accounts of M/s. Gatsby Trading Private Limited.

4. On verifying the details available and furnished by the assessee during the course of its assessment proceedings, it is ascertained that the loans and advances received as submitted by the assessee does not reflect these credits amounting to Rs.2,71,06,36,923/- in its books of account. The whole gamut of bank transactions are not reflected in the books of account of the assessee and when seen in light of the information that the assessee company is involved in transactions with M/s Backer Trading Pvt. Ltd. which has been established as a routing entity with no genuine business, it is inferred at the above stated income of the assessee has escaped assessment.

………..

5 We have considered the reasons and the proposed reopening is in view of the information that was received after the case was selected for scrutiny and order under Section 143 (3) of the said Act was passed.

6 In view of the above, we do not wish to exercise our jurisdiction under Article 226 of the Constitution of India.

7 Petition dismissed accordingly.

8 Petitioner may take all contentions before the Assessing Officer, who shall grant personal hearing to petitioner before passing the assessment order.

(R.N. LADDHA, J.) **(K.R. SHRIRAM, J.)**