IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 24.09.2024

CORAM

THE HON'BLE **MR.JUSTICE C.SARAVANAN**

W.P.No.10010 of 2022
and
W.M.P.Nos.9713 and 9714 of 2022

Grand Magnum Terra Firma Private Limited,
Represented by Mr.Suyash Surana, Director,
No.59, Erulappan Street, Sowcarpet,
Chennai – 600 079. ... Petitioner

Vs.

1. The Income Tax Officer,
   Corporate Ward 2(2),
   No.121, M.G.Road, Nungambakkam,
   Chennai – 600 034.

2. The Additional/Joint/Deputy/Assistant Commissioner
   of Income Tax/Income Tax Officer,
   National Faceless Assessment,
   Delhi. ... Respondents

Prayer: Writ Petition filed under Article 226 of Constitution of India, for issuance of a Writ of Certiorarified Mandamus to call for the records of the Respondents contained in their notice bearing DIN & Notice No.ITBA/AST.S/148/2020-21/1032099822(1), dated 31.03.2021 issued by the 1st Respondent under Section 148 of the Income Tax Act, 1961, for PAN:AACCG6637J for Assessment Year 2014-2015 and all proceedings in furtherance thereof, including the assessment order bearing DIN:

ITBA/AST/S/147/2021-22/1042278640(1) dated 31.03.2022 passed by the 2nd Respondent under Section 147 r/w Section 144B of the Income Tax Act, 1961, for PAN:AACCG6637J for Assessment Year 2014-2015 and to quash the same as arbitrary, illegal and unjust, and to consequently forbear the Respondents or their superiors, subordinates, agents etc. from re-assessing the Petitioner's income for the assessment year 2014-15 under Section 147 of the Income Tax Act, 1961.

For Petitioner : Mr.Suhrith Parthasarathy

For Respondents : Mr.B.Ramanakumar
Senior Standing Counsel

ORDER

Heard the learned counsel for the Petitioner and the learned Senior Standing Counsel for the Respondents.

2. The Petitioner has challenged the Impugned Notice dated 31.03.2021 issued under Section 148 of the Income Tax Act, 1961 for the Assessment Year 2014-2015.

3. The reasons for reopening the assessment was supplied to the Petitioner on 19.03.2022. The Petitioner has also replied to the same on 24.03.2022. However, the Respondents proceeded to pass a speaking Order vide Order dated 26.03.2022 following the Assessment Order dated 31.03.2022.

4. Having considered the submissions made by the learned counsel for the Petitioner and the learned Senior Standing Counsel for the Respondents, it is evident that the Assessment Order has been passed on 31.03.2021 to ensure that the assessment does not gets time barred.

5. The Respondents cannot be found fault as they are bound to comply with the statutory period of limitation prescribed under Section 151 of the Act. However, the Petitioner cannot be penalized merely because the Respondents are acting under time constrain.

6. There is a clear case of violation of Principles of Natural Justice. Therefore, Impugned Order dated 26.03.2022 disposing of the Petitioner's objection for reopening of the assessment and the consequential Order dated 31.03.2022. Therefore, the Orders are quashed and the case is remitted back to the Respondent to pass fresh Order. Needless to state that the limitation for passing Order stands protected.

7. The Respondents shall pass a speaking Order on merits within a period of three (3) months. Needless to state that the Speaking Order to be

passed shall be passed in strict compliance of the directions of the Hon'ble Supreme Court in the case of **GKN Driveshafts (India) Ltd.** vs. **Income Tax Officer**, 259 ITR 19 (SC). It is open for the Petitioner to request the Respondents to furnish the documents which have been referred to the Communication dated 19.03.2022 giving reasons for reopening the assessment.

8. The Writ Petition stands disposed of with the above observations and directions. No cost. Consequently, connected miscellaneous petitions are closed.

24.09.2024

Index : Yes/No
Speaking/Non-speaking Order
Neutral Citation :Yes/No
rgm

To

1. The Income Tax Officer,
   Corporate Ward 2(2),
   No.121, M.G.Road, Nungambakkam,

Chennai – 600 034.

2. The Additional/Joint/Deputy/Assistant Commissioner of Income Tax/Income Tax Officer,
National Faceless Assessment,
Delhi.

C.SARAVANAN, J.

rgm

W.P.No.10010 of 2022
and
W.M.P.Nos.9713 and 9714 of 2022

24.09.2024