OD-10

WPO/332/2025
THE HIGH COURT AT CALCUTTA
CONSTITUTIONAL WRIT JURISDICTION
ORIGINAL SIDE

Golden Fibres & Ors.
Versus
Union of India & Ors.

BEFORE:
The Hon'ble JUSTICE RAJA BASU CHOWDHURY
Date: 10th July 2025

Appearance:
Mr. Subash Agarwal, Advocate
Mr. Rajarshi Chatterjee, Advocate
Mrs. Suman Sahani, Advocate
Mr. Amit Shaw, Advocate
for the petitioner

Mr. Prithu Dudheria, Advocate
for the respondents

The Court: 1. The petitioner, challenging the order dated 11th April 2025 issued by the Assessing Officer, disposing of an letter/application in effect for not treating the petitioner no.1 in default, conditionally by directing the petitioner to make payment of 20% of the outstanding demand, the instant writ petition has been filed.

2. Having heard the respective parties and noting that the instructions issued by the Central Board of Direct Taxes (CBDT) dated 29th February 2016 and 31st July 2017 and also noting that in the instant case the petitioner's original return income was Rs.58,04,660/- which has since been enhanced to Rs.2,72,32,323/- in furtherance to an assessment order dated 20th March 2025 for the assessment year 2023-24 under section 143(3) of the Income Act, 1961, I am of the view that the Assessing Officer ought not to have mechanically disposed of the petitioner no.1's application for not treating the petitioner no.1 in default.

3. Admittedly in this case, the petitioner no.1 has preferred an appeal before the Appellate Authority as would corroborate from an acknowledgement issued by the Department wherefrom it appears that the appeal has been filed on 7th April 2025 for the assessment year 2023-24. The petitioners claim that the petitioners have a fair chance of success in the appeal and would contend that if the petitioners are required to pay 20% of the disputed demand, the petitioners will face imminent financial crisis and would also be required to be wound up.

4. Having heard the learned advocates for the parties and considering the fact that the petitioners have preferred an appeal and such appeal is pending adjudication, in my opinion, having regard to the peculiar facts of the case, justice would be subserved if the petitioners are directed to pay a lump sum amount of Rs.20 lakhs in addition to the amount already deposited by the petitioners, subject to the petitioner no.1 providing an undertaking that the petitioner no.1 will cooperate for early disposal of the appeal.

5. The order passed by the Assessing Officer dated 11th April 2025 in respect of the assessment year 2023-24 for not treating the petitioner no.1 in default with regard to the petitioner no.1's letter/application dated 11th April 2025 stands modified to the above extent.

6. The writ petition is accordingly disposed of.

(RAJA BASU CHOWDHURY, J.)

R. Bose