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

WRIT PETITION NO.2441 OF 2023
WITH
WRIT PETITION NO.732 OF 2024
WITH
WRIT PETITION NO.2109 OF 2024

Tata Communications Limited, Mumbai .. Petitioner

Versus

Deputy Commissioner of Income Tax 1(3)(1),
Mumbai & Ors. .. Respondents

Mr. J. D. Mistri, Senior Advocate a/w Harsh Kapadia, Anil Wani, Sameer Dalal, Advocates for the Petitioners.

Ms. Sushma Nagaraj a/w Abhinav Palsikar, Advocates for the Respondents.

CORAM : B. P. COLABAWALLA &
AMIT S. JAMSANDEKAR, JJ.

DATE : NOVEMBER 11, 2025

P. C.

1. Rule. Rule made returnable forthwith. Respondents waive service. With the consent of parties, the aforementioned Petitions are heard finally.

WRIT PETITION NO.2441 OF 2023-A.Y.2019-20

2. In this Petition, the Petitioner primarily challenges:

(i) the notice of demand dated 30th January 2023 issued under Section 156 of the Act by Respondent No.1, directing the Petitioner to pay a demand of Rs.300,37,58,916/- for the A.Y.2019-20 pursuant to the final assessment order passed under Section 143(3) read with Section 144C(13) of the Income Tax Act, 1961 ("**the Act**") dated 30th January 2023, and;

(ii) the rectification order dated 27th April 2023 passed by Respondent No.1 under Section 154 of the Act to the extent it rejects all the mistakes indicated by the Petitioner in its application dated 27th February 2023.

3. Pursuant to the final assessment order for A.Y.2019-20, the total income of the Petitioner was assessed at Rs.678,33,54,678/- after making additions to the returned income of the Petitioner aggregating to Rs.40,27,69,618/-. However, the Petitioners submits that vide notice of demand issued under Section 156 of the Act, Respondent No.1 has incorrectly, and erroneously raised a demand of Rs.300,37,58,916/- and asked the Petitioner to pay the same within a period of 30 days.

4. The Petitioner contends that the aforesaid final assessment order as well as the notice of demand suffers from several mistakes and that the main error in raising the demand of Rs.300,37,58,916/- was that while determining the amount payable by the Petitioner, a sum of Rs.454,53,24,983/- was added to the amount payable as "*Refund already issued in earlier orders*", whereas the amount of refund granted earlier was Rs.227,26,62,493/-. This was the only refund actually issued pursuant to the order of this Court dated 6th April 2021 passed in WP No.732 of 2021.

5. A rectification application filed by the Petitioner in this regard was rejected by Respondent No.1 vide the impugned order dated 27th April 2023. In this order, despite acknowledging the mistake of double counting of the refund issued, Respondent No.1 did not rectify the mistake. Respondent No.1's order states that the system of the income tax department did not permit him to reverse the adjustment of demand against refund made under Section 245 of the Act in January 2021. It is pertinent to note that this Court has already quashed the said Section 245 adjustment vide order dated 6th April 2021 in WP No.732 of 2021. However, the Petitioner pointed out during the hearing on 15th

October 2025 that the order of this Court dated 6th April 2021 has not been complied with.

6. Accordingly, this Court, on 15th October 2025 passed the following order:-

> *"1. As a last chance, we direct the Assessing Officer to comply, not only with the order passed by this Court on 6th April 2021 but also give effect to the Tribunal's order for Assessment Year 2007-08 and Assessment Year 2008-09 dated 23rd February 2022. The Assessing Officer shall carry out these directions within a period of three weeks from today.*
>
> *2. We make it clear to the Assessing Officer that if our directions are not complied with, we will not hesitate to haul him up for contempt.*
>
> *3. Stand over to 10th November 2025."*

7. In terms of order dated 15th October 2025 passed by this Court, Respondent No.1 has now passed an order dated 4th November 2025 under Section 154 of the Act complying with the order passed by this Court on 6th April 2021 in Writ Petition No.732 of 2021. The said order determines a rectified demand for A.Y.2019-20 of Rs.17,91,10,382/- instead of Rs.300,37,58,916/- raised originally against the Petitioner.

8. The Petitioner states that though the demand has been rectified to Rs.17,91,10,382/- it has not been provided with the computation sheet and, therefore, is unaware as to how the said demand has been worked out by the assessing officer. Respondent No.1 does not dispute this fact. He, however, explains that because of certain system issues, he is unable to generate the computation sheet and that multiple efforts to resolve this issue have been made without any success. He states that constant correspondence has been, and is being exchanged in this regard with the concerned departments for a resolution of the system issues. Considering that a revised demand has been computed by the 1st Respondent, we direct Respondent No.1/Central Processing Centre ("CPC") of the income tax department to furnish a copy of the computation sheet to the Petitioner within a period of 3 weeks. We are informed that this computation sheet is being generated by the CPC, who shall provide the same to the 1st Respondent.

9. The Petitioner also says that vide its letter dated 27th February 2023, an application for stay of outstanding demand for A.Y.2019-20 under Section 220 of the Act was made by the Petitioner before Respondent No.1. This Application is pending and is yet to be disposed of by the 1st Respondent.

10. In light of the above facts and circumstances of the case, this Writ Petition is disposed of with the following directions:-

(i) The 1st Respondent/Central Processing Centre of the Income Tax Department is directed to issue the computation sheet to the Petitioner within a period of 3 weeks from today.

(ii) Insofar as the rectified demand of Rs.17,91,10,382/- is concerned, the stay application dated 27th February 2023 filed by the Petitioner before Respondent No.1 shall be disposed of by the 1st Respondent in accordance with law within a period of 4 weeks from today. However, until the stay application is decided by Respondent No.1, and for a period of 2 weeks thereafter, no coercive steps shall be taken against the Petitioner in respect of the said demand.

11. All rights and contentions are kept open.

12. The Writ Petition is disposed of in the aforesaid terms. However, there shall be no order as to costs.

WRIT PETITION NO.732 OF 2024 AND WRIT PETITION NO.2109 OF 2024- A.Ys.2007-08 & 2008-09

13. These two Petitions challenge the inaction/failure of Respondent No.1 in passing an order giving effect to the order of the Income Tax Appellate Tribunal (for short "**Tribunal**") dated 23rd February 2022 allowing the Petitioner's Appeal for A.Ys.2007-08 and 2008-09 and release the resulting refund of the Petitioner.

14. In these cases, the assessment for A.Ys.2007-08 and 2008-09 were completed, and final assessment orders were passed under Section 143(3) read with Section 144C of the Act on 20th October 2011 and 25th October 2012 respectively. Demands of Rs.285,64,83,218/- and Rs.252,45,94,546/- were raised in respect of these assessment years. The Petitioner appealed to the ITAT *inter alia* challenging the validity of the final assessment orders. These Appeals were allowed by the Tribunal vide a common order dated 23rd February 2022 and the final assessment orders for both the years were set aside. Respondent No.1, however, has failed to give effect to this order of the Tribunal and grant the resulting refunds, which failure is the subject matter of these Writ Petitions.

15. In terms of the order dated 15th October 2025 passed by this Court, Respondent No.1 has passed orders dated 27th October 2025 under Section 154 read with Section 254 of the Act giving effect to the ITAT's order dated 23rd February 2022 for A.Ys. 2007-08 and 2008-09. In these orders, the 1st Respondent has computed refunds due to the Petitioner of Rs.298,25,06,788/-(A.Y.2007-08) and Rs.1,43,24,57,993/-(A.Y.2008-09).

16. The Petitioner says though the computation of the aforesaid refunds have been provided by the assessing officer, however, the basis and computation of working out the interest payable for both the years has not been furnished. The Petitioner also contends that in addition, it is entitled for interest under Section 244A(1A) of the Act, which the computation sheet apparently does not provide for.

17. The Petitioner also states that despite determining the refunds due of Rs.298,25,06,788/- and Rs.1,43,24,57,993/- neither of the said amounts have been credited into the Petitioner's bank account till date.

18. In view of these facts and circumstances, we dispose of these Writ Petitions with the following directions:-

(i) Respondent No.1 and/or the CPC to credit the undisputed refund of Rs.298,25,06,788/- for A.Y.2007-08 and Rs.143,24,57,993/- for A.Y.2008-09 within a period of 1 week from today.

(ii) The 1st Respondent to provide the entire computation of the refunds and review the working of the interest due to the Petitioner ensuring that the same is in accordance with law including grant of interest under Section 244A(1A) of the Act.

(iii) As a result of the review, if any shortfall in the amount due arises, then the same shall be credited into the Petitioner's bank account by Respondent No.1/the CPC within a period of 2 weeks from the date on which Respondent No.1 passes any order rectifying any shortfall of refund or interest.

(iv) In the event that any dispute arises with respect to the quantum of the refund and/or the eligible interest, it shall be open to the Petitioner to take such steps as are available to it in accordance with law.

19. Rule is made absolute in the aforesaid terms and all the Writ Petitions are also disposed of in terms thereof. However, there shall be no order as to costs.

20. This order will be digitally signed by the Private Secretary/ Personal Assistant of this Court. All concerned will act on production by fax or email of a digitally signed copy of this order.

[AMIT S. JAMSANDEKAR, J.] **[B. P. COLABAWALLA, J.]**