IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 04.12.2025

CORAM

THE HONOURABLE MR.JUSTICE C.SARAVANAN

WP .Nos. 8883 & 1812 of 2025
and
WMP Nos. 9976 & 2059 of 2025

Pawani Bai Petitioner

Vs

1. The Principal Commissioner Of Income Tax (Central 2) Chennai
   Room no. 302 new building 111 floor, investigation building
   NO. 46 (OLD No.108)
   MAHATMA GANDHI ROAD, CHENNAI-600034

2. Deputy Commissioner of Income tax, Central Circle
   New Building III Floor, Investigation Building,
   No.46, Old No.108, Mahatma Gandhi Road, Chennai 600034

3. DCIT, Central Circle 19,
   New Delhi

WP No. 1812 of 2025

Pawani Bai

..Petitioner

Vs

1. The Principal Commissioner of Income Tax
   (Central) Chennai 2,Room No 302 New
   Building, III Floor, Investigation Building
   No 46 (Old No 108) Mahatma Gandhi Road,
   Chennai 600 034

2. The Principal Commissioner of Income Tax
   (Central) Delhi 2Room No. 341, E 2, 2nd Floor, ..Respondents

ARA Centre, Jhendewalan Extension,
New Delhi 110055

3. Deputy Commissioner of Income tax,
Central Circle
New Building III Floor, Investigation Building,
No.46, Old No.108, Mahatma Gandhi Road,
Chennai 600034

Prayer in WP.No.8883/2025: This Writ Petition is filed under Article 226 of the Constitution of India for issuance of Writ of Mandamus to call for the records of the Petitioner on the file of the 1st Respondent, culminating in the Impugned Order Notification No. 08/2024-25 under Section 127 of the Income Tax Act, 1961, dated 30.10.2024, in DIN and Letter No ITBA/COM/F/17/2024-25/1070038753(1), and quash the same, and consequently, direct the respondents to restore the file of the petitioner to the 2nd respondent.

Prayer in WP.No.1812/2025: This Writ Petition is filed under Article 226 of the Constitution of India for issuance of Writ of Mandamus to direct the 1st and 2nd Respondents to transfer the Petitioners case to the file of the 3rd Respondent.

For Petitioner in both cases : Mr.Akhil Bhansali
For Respondents in both cases : Mr.A.P.Srinivas
Senior Standing Counsel
Mr.A.N.R.Jayaprathap
Junior Standing Counsel

COMMON ORDER.

Mr.A.N.R.Jayaprathap , learned Junior Standing Counsel takes notice for the Respondents.

2. These Writ Petitions are being disposed of at the time of admission with the consent of the learned counsel for the Petitioner and learned Government Advocate for the Respondent.

3. The petitioner has challenged the impugned notification No. 8/2024-2025 dated 30.10.2024 passed by the 1st respondent in WP.No.8883 of 2025. The petitioner was an assessee with the Chennai Central Circle under the jurisdiction of the 1st respondent was issued with a Show Cause Notice dated 28.08.2024 under Section 127 of the Income Tax Act, 1961. By the aforesaid Show Cause Notice, the petitioner was called upon to show cause as to why order under Section 127 of the Income Tax Act, 1961 should not be passed to centralize the case with Central Circle-16, New Delhi to facilitate more coordinated, proper and uniform assessment in the interest of revenue.

4. Accordingly, the petitioner was provided with an opportunity to convey objections/comments either by way of written submissions or to appear in

person or through an authorized representative within 7 days from the receipt of the said Show Cause Notice. The Petitioner was given an option to file her submission through the e-filing portal using the **link:incometaxindiaefiling.gov.in.** The notice also stated that in case of no reply received before the stipulated time, it will be presumed that the Petitioner will have no objection in this regard and necessary proceedings under Section 127 of Income Tax Act will be taken accordingly.

5. The background for issuance of the aforesaid Show Cause Notice dated 28.08.2024 appears to be a search at the premises of M/s.Bharat Seats Limited and M/s.Sharda Motors Industries Limited (SMIL) and Others on 19.05.2023.

6. Pursuant to the aforesaid search, the group case of the said M/s.Bharat Seats Limited and M/s.Sharda Motors Industries Limited (SMIL) and Others were centralized with DCIT, Central Circle -16, New Delhi, the 3rd respondent.

7. It appears that during the course of investigation, certain statements were also recorded from on Sri Krishan Kumar Sharma, the Regional Head,

(South) of M/s.Sharda Motors Industries Limited (SMIL) who is stated to have shared that the petitioner had issued bogus transactions invoices. A further Statement was also recorded under Section.132 (4) from Sri Daram Asriey Agarwal , Srin Nithin, Vishnoyi,, Shri Mahesh Yadav, who are supposed to be key persons of M/s.Sharda Motors Industries Limited (SMIL) who have admitted that the petitioner had issued bogus purchase bills to the tune of Rs.33,32,27,538/- during the FY 2014- 2015.

8. The challenge to the impugned order is primarily on the ground that in the Show Cause Notice issued under Section.127 on 04.10.2024, there was no indication of the above statements of the said Sri Krishan kumar Sharma, the Regional Head (South) of the said M/s.Sharda Motors Industries Limited (SMIL) or from the statements recorded from the three other persons namely Sri Daram Asriey Agarwal , Srin Nithin, Vishnoyi, Shri Mahesh Yadav.

9. That apart, it is submitted that in the response to the reply to the show cause notice dated 28.08.2024, the petitioner has clearly stated that the petitioner was not subjected to any search or survey along with M/s.Bharat Seats Limited or M/s.Sharda Motors Industries Limited (SMIL) and others and that the petitioner was neither a partner nor a Director nor an employee or

holding any post in the group of Companies and that petitioner had only few trading transactions with this group and such trading transactions were accounted and therefore, there was no necessity for transferring the case of the petitioner to New Delhi. Earlier, the petitioner had filed W.P.No.18182 of 2025 which came to be dismissed on 08.01.2025 in view of the impugned Notification dated 30.10.2024. After the said Writ Petition was dismissed, the petitioner filed WP.No.8883 of 2025 on 05.03.2025. The petitioner has also been issued with notice by the 3rd Respondent under Section.142 (1) of the Income Tax Act on 03.05.2025.

10. The petitioner has been called upon to furnish certain documents and appear personally or through authorized representative before the office of the 3rd Respondent on 29.08.2025. Since the petitioner failed to comply with the same, a further notice was issued by the 3rd Respondent on 29.11.2025, wherein the petitioner has been called upon to furnish the required documents pursuant to notice dated 22.08.2025 electronically in e-proceedings or personally through authorized representative to the office of the respondent on or before 05.12.2025 at 11.00 a.m,

11. The learned counsel for the Petitioner has placed reliance on the

decisions of the Division Bench of the Bombay High Court in ***Darshan Jitendra Jhaveri Vs Commissioner of Income Tax (International Taxation) and Others (2021) 439 ITR 514.*** Further, placed reliance is on the said judgment stating that the case is identical and therefore, taking note of the Section 127 of the Income Tax Act, 1961, the Division Bench of the Bombay High Court has interfered and set aside the order/Notification issued under Section127.

12. On the other hand, learned counsel for the Respondent has placed reliance on the decisions of this court rendered in **M and C Property Development (P) Ltd., Vs. Principal Commissioner of Income-tax reported in (2025) 174 taxmann. Com 926 (Madras).**

13. The impugned order is further to be defended by the respondents stating that pursuant to the information transmitted by the 3rd Respondent, the above Show Cause was issued which has now culminated in the Impugned Notification for transferring the case of the petitioner to the 3rd Respondent.

14. The reply of the petitioner to the Show Cause Notice dated 28.08.2024 is very sketchy. Barring an admission that the petitioner had certain transactions with the group, there is no further information in the reply. The petitioner was aware of the background which has led to the transfer of the case to the 3rd Respondent. The Case is still under investigation. For the present the petitioner has to merely furnish the information called for by the 3rd Respondent vide notice dated 22.08.2025 issued under Section.142 (1) of the Income Tax Act, 1961 followed by a reminder on 29.11.2025.

15. As such, the presence of the petitioner at this stage is not required warranting an interference against the decision taken vide impugned notification No.8/2024/25 of the 1st Respondent passed under Section 127 on 30.10.2024.

16. The petitioner is therefore directed to cooperate with the Income Tax Department and thereafter it is for the petitioner to approach the appropriate authority for re-transfer of the case subject to the investigation to be completed by the 3rd Respondent.

17. In WP.No.1812/2025:

In view of the above discussion, WP.No.8883 of 2025 is disposed of with the above direction. Accordingly, this writ petition stands dismissed.

18. In view of the order in WP.No.8883 of 2025, nothing survives for further adjudication in WP.No.1812 of 2025. Therefore, WP.No.1812 of 2025 is dismissed. No costs. Connected Writ Miscellaneous Petitions are closed.

04.12.2025

Neutral Citation: Yes/No
gv
To

1. The Principal Commissioner Of Income Tax (Central 2) Chennai
Room no. 302 new building 111 floor, investigation building
NO. 46 (OLD No.108)
MAHATMA GANDHI ROAD, CHENNAI-600034

2.Deputy Commissioner of Income tax, Central Circle
New Building III Floor, Investigation Building,
No.46, Old No.108, Mahatma Gandhi Road, Chennai 600034

3. DCIT, Central Circle 19,
New Delhi

4. The Principal Commissioner of Income Tax (Central) Delhi 2Room No. 341, E 2, 2nd Floor, ARA Centre, Jhendewalan Extension,
New Delhi 110055

C.SARAVANAN J.

gv

5. Deputy Commissioner of Income tax,
   Central Circle
   New Building III Floor, Investigation Building, No.46, Old No.108,
   Mahatma Gandhi Road, Chennai 600034

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