IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 23.09.2025

CORAM :

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.17155 of 2022 and
W.M.P.Nos.16453 & 16454 of 2022

M/s.Srilankan Airlines Ltd,
No.04, Vijaya Towers,
Kodambakkam High Road,
Nungambakkam, Chennai – 600 034.
PAN:AAECS3720Q ... Petitioner

Vs.

1.The Deputy Commissioner of Income Tax,
International Taxation, Circle – 2(2),
No.16, BSNL Building, Greams Road,
Chennai – 600 006.

2.The Commissioner of Income Tax,
International Taxation,
No.16, BSNL Building, Greams Road,
Chennai – 600 006.

3.The Assistant Commissioner of Income Tax,
International Taxation Circle – 2(2),
No.16, BSNL Building, Greams Road,
Chennai – 600 006. ... Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorarified Mandamus, to call for the records of the Writ Petitioner Company on the file of the second respondent to quash the impugned order C.No.CIT/IT/CHE/112(264)/2020-21 dated 17.03.2022 passed under Section 264 of the Act for the Assessment Year 2021-22 and consequently direct the second respondent to complete the revision proceedings afresh for the Assessment Year 2021-22 after granting reasonable / sufficient opportunity of hearing.

For Petitioner : Mr.A.S.Sriraman

For Respondents : Mr.Avinash Krishnan Ravi
Senior Standing Counsel

ORDER

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

2. In this Writ Petition, the Petitioner has challenged the impugned order dated 17.03.2022 passed under Section 264 of the Income Tax Act, 1961. The Petitioner had filed an application under Section 264 of the Income Tax Act, 1961 on 04.12.2020 against the order dated 07.09.2020 passed under Section 195 of the Income Tax Act, 1961. By the aforesaid order dated 07.09.2020, it was held that the services rendered by the Petitioner to Bangalore International Airport Limited was taxable in India as business profit at 40%.

3. It is the specific case of the Petitioner is that the Petitioner was issued

with the Personal Hearing Notices on 05.05.2021 and 17.02.2022 and the Personal Hearing Dates were fixed on 12.05.2021 and 28.02.2022.

4. It is submitted that these notices were issued during the second wave of Covid – 19 and therefore the Petitioner could not participate in the Personal Hearing fixed on the dates mentioned above. It is submitted that if given an opportunity the Petitioner could clarify the position to the Department and has a fair case for a favorable order under Section 264 against the order dated 07.09.2020 passed under Section 195 of the Act.

5. The learned Senior Standing Counsel for the Respondents on the other hand would submit that there is no merit in the challenge to the impugned order, as the impugned order has been passed after affording an opportunity of personal hearing to the Petitioner. However, the Petitioner failed to respond to the personal hearing notices and therefore the impugned order has been passed. Hence, it is submitted that the Writ Petition is liable to be dismissed.

6. By way of a rejoinder, it is submitted by the Petitioner that there are irregularities committed by the Respondents while passing the impugned order

and therefore on this count also the impugned order is liable to be set aside and the present writ petition is deserves to be allowed.

7. I have considered the submissions made by the learned counsel for the Petitioner and the learned Senior Standing Counsel for the Respondents.

8. Admittedly, the first personal hearing was fixed during the second wave of Covid – 19 and the second personal hearing was fixed during the lock down period due to the third wave of Covid – 19. Therefore, I am inclined to set aside the impugned order and remit the case back to the Respondents in exercise of power under Article 226 of the Constitution of India.

9. Considering the same, the impugned order is set aside and the case is remitted back to the 2nd Respondent to pass a fresh order on merits as expeditiously as possible. Needless to state, before passing such order, the Petitioner shall be heard. It is made clear that the Petitioner shall co-operate with the Respondents.

10. This Writ Petition stands disposed of with the above observations. No costs. Consequently, connected Writ Miscellaneous Petitions are closed.

23.09.2025

Neutral Citation : Yes / No

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To

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Chennai – 600 006.

2.The Commissioner of Income Tax,
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C.SARAVANAN, J.
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