



WEB COPY



T.C.A.No.697 of 2014

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 10.07.2025

CORAM :

THE HON'BLE MR.K.R.SHRIRAM, CHIEF JUSTICE

AND

THE HON'BLE MR.JUSTICE SUNDER MOHAN

T.C.A.No.697 of 2014

The Commissioner of Income Tax
Chennai.

.. Appellant

Vs.

M/s. Siva Ventures Ltd.
327, Anna Salai
Chennai 600 018.

.. Respondent

Prayer : Appeal under Section 260A of the Income Tax Act, 1961 against the order dated 31.01.2013 passed in ITA No.1725/Mds/2012 on the file of the Income Tax Appellate Tribunal Madras 'D' Bench.

For Appellant : Mr.S.Sathyanarayan

For Respondent : Mrs.Vandana Vyas



WEB COPY



T.C.A.No.697 of 2014

JUDGMENT

(Judgment of the Court was delivered
by the Hon'ble Chief Justice)

The following questions of law was framed on 17.09.2014:

“Whether under the facts and circumstances of the case, the Income Tax Appellate Tribunal was right in quashing the reassessment proceedings initiated by the Revenue holding that there is no failure on the part of the assessee to disclose fully and truly material facts necessary for the assessment during the original assessment?”

2. Admittedly, the assessment order under Section 143(3) of the Income Tax Act had been passed. The re-opening notice was issued more than four years after the end of the relevant assessment year. Therefore, the Proviso to Section 147 shall apply, which would mean that there had to be a failure on the part of the assessee to truly disclose material facts.

3. Counsel for appellant, in fairness, agreed that these facts were disclosed in the accounts, but that was not a subject of consideration by the Assessing Officer and therefore, the Tribunal was wrong in allowing the cross objection of the assessee.



T.C.A.No.697 of 2014

WEB COPY

4. In our view, the Tribunal was correct because the moment it is admitted that these details were disclosed in the accounts furnished, it cannot be stated that there was failure on the part of the assessee to truly and fully disclose even if there is no discussion. It is because the condition for re-opening, as per the proviso, is there has to be a failure to disclose truly when an assessment under Section 143(3) has been completed. Here, there was disclosure as stated by counsel.

5. Counsel Shri Sathyanarayan relied on a judgment of the Delhi High Court in ***Honda Siel Power Products Ltd. v. Deputy Commissioner of Income Tax***¹ which has been confirmed by the Apex Court. The facts in that case won't apply because that was a case where the Court was considering the challenge to the notice under Article 226 of the Constitution of India challenging the jurisdiction of the Income Tax Officer to issue a notice and the High Court was only concerned with examining whether the condition which invested the Income Tax Officer with the powers to re-open the

¹ [2012] 20 taxmann.com 5 (SC)



T.C.A.No.697 of 2014

WEB COPY

assessment exists. In this case, for reasons mentioned above, the Income Tax Officer did not even have the powers to re-open.

6. Appeal is dismissed and the question is answered in favour of the assessee. There shall be no order as to costs.

(K.R.SHRIRAM, CJ)

(SUNDER MOHAN,J.)

10.07.2025

Index : Yes/No
Neutral Citation : Yes/No

kpl

To

1. The Assistant Registrar
Income Tax Appellate Tribunal
Chennai Benches, Chennai.
2. The Commissioner of Income Tax (Appeals) -V
Chennai.
3. The Assistant Commissioner of Income Tax
Company Circle VI(3)
Chennai.



WEB COPY



T.C.A.No.697 of 2014



WEB COPY



T.C.A.No.697 of 2014

THE HON'BLE CHIEF JUSTICE
AND
SUNDER MOHAN,J.

(kpl)

T.C.A.No.697 of 2014

10.07.2025