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W.P.No.24726 of 2022

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 18.11.2025

CORAM

**THE HONOURABLE MR.JUSTICE C.SARAVANAN**

W.P.No.24726 of 2022  
and W.M.P.Nos.23663 & 23664 of 2022

Mr. Victor Jayakaran

... Petitioner

Vs.

1. The Assistant Commissioner of Income Tax,  
Corporate Circle 3(1)CHE  
Room No. 411, Fourth Floor,  
Wanaparthi Block, Aayakar Bhawan,  
No.121, M G Road, Nungambakkam,  
Chennai – 600034.
2. The Principal Commissioner of Income Tax  
Wanaparthi Block, Aayakar Bhawan,  
2<sup>nd</sup> Floor, No.121, M G Road,  
Nungambakkam, Chennai – 600034.
3. The Deputy Commissioner of Income Tax,  
Corporate Circle 3(1)CHE  
Room No.411, Fourth Floor,  
Wanaparthi Block, Aayakar Bhawan,  
No.121, M G Road, Nungambakkam,  
Chennai – 600034.
4. The Commissioner of Income Tax,  
Corporate Circle 3(1)CHE  
Wanaparthi Block, Aayakar Bhawan,  
No.121, M G Road, Nungambakkam,  
Chennai – 600034.

... Respondents



W.P.No.24726 of 2022

Writ Petition is filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, calling for the records on the file of the respondents in relation to impugned notice issued by the first respondent under Section 148 of the Income Tax Act, 1961 dated 28.07.2022 vide DIN ITBA/COM/F/17/2022-23/1044248069(1), quash the same as arbitrary, illegal and in violation of the principles of natural justice.

For Petitioner : Ms.Ieswarya  
For Mr.S.Muthu Venkataraman

For Respondents : Mrs.S.Premalatha  
Senior Standing Counsel

### **ORDER**

In this Writ Petition, the Petitioner has challenged the order dated 28.07.2022 passed under Section 148A(d) of the Income Tax Act, 1961 under the new regime as in force with effect from 01.04.2021 for the Assessment Year 2014-2015 passed by the 1st Respondent.

2. The impugned order dated 28.07.2022 passed under Section 148A(d) of the Act and the consequential Section 148 Notice dated 29.07.2022 under the new regime was issued in the light of the Judgement of the Hon'ble Supreme Court in **Ashish Agarwal Vs. Union of India., (2023) 1 SCC 617 on 04.05.2022.**



W.P.No.24726 of 2022

3. This is the second round of litigation before this Court. Earlier, the petitioner was issued with a Notice dated **30.06.2021** under Section 148 of the Act under the old regime as in force till 31.03.2021 for the Assessment Year 2014-2015.

4. The said Notice dated **30.06.2021** issued under the old regime was the subject matter of a challenge by the Petitioner in W.P.16444 of 2021, which came to be disposed by this Court vide Order dated 04.02.2022, whereby this Court quashed the impugned Section 148 Notice issued under the old regime stating it ought to be issued in accordance with the new regime of the Act.

5. Meanwhile, the Hon'ble Supreme Court delivered its judgement in **Ashish Agarwal case**, referred to *supra* which later clarified by the decision of the Hon'ble Supreme Court in **Union of India Vs. Rajeev Bansal**, 2024 SCC Online SC 2993.

6. It is in this background, a fresh Notice dated **19.05.2022** under Section 148A(b) of the Act under the new regime was issued to the Petitioner for the Assessment Year 2014-2015 in the light of the aforesaid decisions of



W.P.No.24726 of 2022

the Hon'ble Supreme Court, to which the petitioner replied on 03.06.2022 which culminated in the impugned order.

7. The challenge to the impugned proceeding is mainly on the ground that no approval was obtained by the Respondent from the 'specified authority' in accordance with Section 151 of the Act under the new regime before the issuance of Notice dated 19.05.2022 under Section 148A(b) of the Act to re-open the assessment.

8. The specific case of the Petitioner is that the impugned re-assessment proceedings are devoid of merits, as the petitioner was not given an adequate opportunity to reply to the Notice dated 19.05.2022 under Section 148A(b) of the Act.

9. The learned counsel for the petitioner would submit that the petitioner had also elicited information by filing an application dated 21.07.2022 under Section 19(1) of the RTI Act, as to whether indeed approval was obtained by the Respondent from the 'specified authority' under Section 151 of the Act under the new regime. It is stated that the reply elicited by the petitioner has confirmed that indeed no reply was obtained by



W.P.No.24726 of 2022

the Respondent from the 'specified authority' before issuance of the re-assessment notice.

10. The Learned Senior Standing Counsel for the Respondents, on the other hand, would submit that approval from 'specified authority' viz., Principal Chief Commissioner of Income Tax, Tamil Nadu and Puducherry was indeed obtained by the Respondent before issuance of the re-assessment notice.

11. That apart, the Learned Senior Standing Counsel for the Respondent would submit that with regard to the aspect of limitation the issue has been answered against the petitioner in terms of the decision of the Hon'ble Supreme Court in in **Ashish Agarwal case**, referred to *supra* and **Rajeev Bansal case**, referred to *supra*.

12. I have heard the learned counsel for the Petitioner and the learned Junior Standing Counsel for the Respondent and have perused the documents and the list of dates and events *qua* Paragraph No.28 from the decision of the Hon'ble Supreme Court in **Union of India Vs. Ashish Agarwal**, (2023) 1 SCC 617 and Paragraph Nos.112 and 114 from the decision of the Hon'ble



W.P.No.24726 of 2022

Supreme Court in **Union of India Vs. Rajeev Bansal**, 2024 SCC Online SC 2993.

13. It will therefore be useful to refer to passage from Paragraph No.28 from **Ashish Agarwal case** (cited *supra*) and Paragraph Nos.112 and 114 from **Rajeev Bansal case** (cited *supra*).

14. For the sake of clarity, Paragraph No.28 from **Ashish Agarwal case** (cited *supra*) is reproduced below:-

*“28. In view of the above and for the reasons stated above, the present Appeals are allowed in part. The impugned common judgments and orders passed by the High Court of Judicature at Allahabad in W.T. No. 524/2021 and other allied tax appeals/petitions, is/are hereby modified and substituted as under:*

*(i) The impugned section 148 notices issued to the respective assesseees which were issued under unamended section 148 of the IT Act, which were the subject matter of writ petitions before the various respective High Courts shall be deemed to have been issued under section 148A of the IT Act as substituted by the Finance Act, 2021 and construed or treated to be show cause notices in terms of section 148A(b). The assessing officer shall, within thirty days from today provide to the respective assesseees information and material relied upon by the Revenue, so that the*



WEB COPY



W.P.No.24726 of 2022

***assesseees can reply to the show cause notices within two weeks thereafter;***

*(ii) The requirement of conducting any enquiry, if required, with the prior approval of specified authority under section 148A(a) is hereby dispensed with as a onetime measure visàvis those notices which have been issued under section 148 of the unamended Act from 01.04.2021 till date, including those which have been quashed by the High Courts. Even otherwise as observed hereinabove holding any enquiry with the prior approval of specified authority is not mandatory but it is for the concerned Assessing Officers to hold any enquiry, if required;*

***(iii) The assessing officers shall thereafter pass orders in terms of section 148A(d) in respect of each of the concerned assesseees; Thereafter after following the procedure as required under section 148A may issue notice under section 148 (as substituted);***

***(iv) All defences which may be available to the assesseees including those available under section 149 of the IT Act and all rights and contentions which may be available to the concerned assesseees and Revenue under the Finance Act, 2021 and in law shall continue to be available.”***

15. In **Rajeev Bansal case** (cited supra), the above decision of the Hon'ble Supreme Court in **Ashish Agarwal case** (cited supra) was re-examined. The Hon'ble Supreme Court framed the following questions of



W.P.No.24726 of 2022

law / issues in Paragraph No.18. Paragraph No.18 from **Rajeev Bansal case**

(cited supra) is reproduced below:-

*“(a) Whether the Taxation and other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 and notifications issued under it will also apply to reassessment notices issued after April 1, 2021; and*

*(b) Whether the reassessment notices issued under section 148 of the new regime between July and September 2022 are valid.”*

16. The above questions of law / issues have been answered in Paragraph No.114 and illustrated in Paragraph No.112 of **Rajeev Bansal case** (cited supra).

17. For the sake of clarity, Paragraph Nos.112 and 114 from **Rajeev Bansal case** (cited *supra*) are extracted hereunder:-

*“112. Let us take the instance of a notice issued on May 1, 2021 under the old regime for a relevant assessment year. Because of the legal fiction, the deemed show-cause notices will also come into effect from May 1, 2021. After accounting for all the exclusions, the Assessing Officer will have sixty-*



*one days (days between May 1, 2021 and June 30, 2021) to issue a notice under section 148 of the new regime. This time starts ticking for the Assessing Officer after receiving the response of the assessee. In this instance, if the assessee submits the response on June 18, 2022, the Assessing Officer will have sixty one days from June 18, 2022 to issue a reassessment notice under section 148 of the new regime. Thus, in this illustration, the time limit for issuance of a notice under section 148 of the new regime will end on August 18, 2022.*

*114. In view of the above discussion, we conclude that:*

- 1. After April 1, 2021, the Income Tax Act has to be read along with the substituted provisions;*
- 2. Taxation and other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 will continue to apply to the Income-tax Act after April 1, 2021 if any action or proceeding specified under the substituted provisions of the Income Tax Act falls for completion between March 20, 2020 and March 31, 2021;*
- 3. Section 3(1) of the Taxation and other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 overrides section 149 of the Income-tax Act only to the extent of relaxing the time limit for issuance of a reassessment notice under section 148;*
- 4. Taxation and other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 will extend the time limit for the grant of sanction by the authority specified under section 151. The test to determine whether Taxation and*



*other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 will apply to section 151 of the new regime is this : if the time limit of three years from the end of an assessment year falls between March 20, 2020 and March 31, 2021, then the specified authority under section 151(i) has extended time till June 30, 2021 to grant approval;*

- 5. In the case of section 151 of the old regime, the test is : if the time limit of four years from the end of an assessment year falls between March 20, 2020 and March 31, 2021, then the specified authority under section 151(2) has extended time till March 31, 2021 to grant approval;*
- 6. The directions in Union of India Vs. Ashish Agarwal [(2022) 444 ITR 1 (SC); (2023) 1 SCC 617] will extend to all the ninety thousand reassessment notices issued under the old regime during the period April 1, 2021 and June 30, 2021;*
- 7. The time during which the show- cause notices were deemed to be stayed is from the date of issuance of the deemed notice between April 1, 2021 and June 30, 2021 till the supply of relevant information and material by the Assessing Officers to the assesseees in terms of the directions issued by this court in Union of India Vs. Ashish Agarwal [(2022) 444 ITR 1 (SC); (2023) 1 SCC 617], and the period of two weeks allowed to the assesseees to respond to the show-cause notices; and*
- 8. The Assessing Officers were required to issue the reassessment notice under section 148 of the new regime within the time limit surviving under the Income-tax Act*



*read with the Taxation and other Laws (Relaxation and Amendment of Certain Provisions Act, 2020. All notices issued beyond the surviving period are time barred and liable to be set aside.”*

18. Applying the above ratio, particularly, in the light of the limitation for issuance of Notice under Section 148 of the Income Tax Act, 1961 (hereinafter referred to as ‘the Act’) prescribed under Section 149 of the Act read with Section 151 of the Act, it is clear that the Section 148 Notices that was issued between **1<sup>st</sup> April, 2021** under the old regime as it stood till **31.03.2021** are to be treated as a Notice under Section 148A(b) of the Act under the new regime in terms of Paragraph No.28.1 of **Ashish Agarwal case** (cited supra) and in terms of Paragraph No.114(g) of **Rajeev Bansal case** (cited supra).

19. The time during which the aforesaid Notice issued under Section 148 of the Act under the old regime as it stood till **31.03.2021** were deemed to be stayed from the date of issuance between **April 1, 2021** and **June 30, 2021** till the supply of relevant information and material by the Assessing Officers to the assesseees in terms of the directions issued by this Court in **Ashish Agarwal case** (cited *supra*), and for a further period of **two weeks** for



W.P.No.24726 of 2022

the assesseees to respond to the Show Cause Notices as confirmed by **Rajeev**

**Bansal case** (cited *supra*) are to be excluded.

20. A new Notice under Section 148 of the Act under the new regime as in force with effect from **1st April, 2021** was required to be issued for reassessment within the time limit surviving under the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) [TOLA] Act, 2020, if the same was applicable.

21. Relevant dates for the present case are as follows:-

| Assessment Year 2014-2015 |                                                                                                    |
|---------------------------|----------------------------------------------------------------------------------------------------|
| Date                      | Event                                                                                              |
| 30.06.2021                | Notice under Section 148 of the Act (old regime)                                                   |
| 04.05.2022                | Ashish Agarwal case                                                                                |
| 02.06.2022                | Time granted to issue Notice under Section 148A(b) of the Act as per Ashish Agarwal case (30 days) |
| 19.05.2022                | Notice under Section 148A(b) of the Act                                                            |



W.P.No.24726 of 2022

|                   |                                                     |
|-------------------|-----------------------------------------------------|
| 14 days           | Time granted for the Petitioner to file a reply     |
| <b>03.06.2022</b> | Reply given by the Petitioner                       |
| <b>28.07.2022</b> | Order under Section 148A(d) of the Act (new regime) |
| <b>29.07.2022</b> | Notice under Section 148 of the Act (new regime)    |

22. Applying the above ratio to the facts of the case it is clear that the Notice that was issued on **30.06.2021** under Section 148 of the Act for the **Assessment Year 2014-2015** under the old regime as it stood till **31.03.2021** was to be treated as a Notice issued under Section 148A(b) of the Act under the new regime as in force with effect from **01.04.2021** in terms of **Ashish Agarwal case** (cited *supra*) and **Rajeev Bansal case** (cited *supra*).

23. In the light of the ratio in **Ashish Agarwal case** (cited *supra*) and **Rajeev Bansal case** (cited *supra*), the Notice issued under Section 148 of the Act under the old regime on **31.03.2021** is deemed to have been stayed for thirty days for the Income Tax Department to provide to the respective assessee information and material relied upon and two weeks thereafter for the assessee to reply to the Show Cause Notices.



W.P.No.24726 of 2022

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24. A Notice under Section 148 of the Act under the new regime as in force with effect from **01.04.2021** was required to be issued for reassessment within the time limit under Section 149 of the Act as in force with effect from **01.04.2021** within the surviving time under the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) [TOLA] Act, 2020.

25. The only condition for issuance of Section 148 Notice under the new regime is that the limitation under Section 148, Section 153A or Section 153 under the old regime as in force till **31.03.2021** had already not expired. This is as per the first proviso to Section 149 of the Act as in force with effect from **01.04.2021**.

26. Section 149 of the Act under the new regime with effect from **01.04.2021** is extracted hereunder:-

***“149. Time limit for notice.***

*(1) No notice under section 148 shall be issued for the relevant assessment year,—*

*(a) if three years have elapsed from the end of the relevant assessment year, unless the case falls under clause (b);*



W.P.No.24726 of 2022

*(b) if three years, but not more than ten years, have elapsed from the end of the relevant assessment year unless the Assessing Officer has in his possession books of account or other documents or evidence which reveal that the income chargeable to tax, represented in the form of asset, which has escaped assessment amounts to or is likely to amount to fifty lakh rupees or more for that year:*

*Provided that no notice under section 148 shall be issued at any time in a case for the relevant assessment year beginning on or before 1st day of April, 2021, if such notice could not have been issued at that time on account of being beyond the time limit specified under the provisions of clause (b) of sub-section (1) of this section, as they stood immediately before the commencement of the Finance Act, 2021:*

*Provided further that the provisions of this sub-section shall not apply in a case, where a notice under section 153A, or section 153C read with section 153A, is required to be issued in relation to a search initiated under section 132 or books of account, other documents or any assets requisitioned under section 132A, on or before the 31st day of March, 2021:*

*Provided also that for the purposes of computing the period of limitation as per this section, the time or extended time allowed to the assessee, as per show-cause notice issued under clause (b) of section 148A or the period during which the proceeding under section 148A is stayed by an order or injunction of any court, shall be excluded:*



W.P.No.24726 of 2022

*Provided also that where immediately after the exclusion of the period referred to in the immediately preceding proviso, the period of limitation available to the Assessing Officer for passing an order under clause (d) of section 148A is less than seven days, such remaining period shall be extended to seven days and the period of limitation under this sub-section shall be deemed to be extended accordingly.*

*Explanation.— For the purposes of clause (b) of this sub-section, "asset" shall include immovable property, being land or building or both, shares and securities, loans and advances, deposits in bank account. (2) The provisions of sub-section (1) as to the issue of notice shall be subject to the provisions of section 151."*

27. For the sake of clarity, relevant dates for the calculation of limitation period are captured hereunder:-

| Assessment Year | Old tax regime as in force till 31.03.2021 |              | New tax regime with effect from 01.04.2021 |            |
|-----------------|--------------------------------------------|--------------|--------------------------------------------|------------|
|                 | 4 years                                    | 6 years      | 3 years                                    | 10 years   |
| 2014-2015       | 31.03.2019                                 | 31.06.2021 * | 31.03.2021                                 | 31.03.2025 |

[Note: \*However, the 4 years extended to 30.06.2021 in view of the



*Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 (TOLA).]*

28. The time limit for issuance of Notice under Section 148 of the Act as per Section 149 of the Act under the new regime with effect from **01.04.2021** is 3/10 years depending upon the amount of income allegedly escaping assessment, where under the old regime it was 4/6 years depending upon the amount of income allegedly escaping assessment.

29. Thus, for the **Assessment Year 2014-2015**, a Notice under Section 148 of the Act for reassessment under the new regime therefore, ought to have been issued either on or before:-

(i) **31.03.2018** (within three years from the end of the Assessment Year) if the income escaping assessment was less than **Rs.50,00,000/-**; or

(ii) **31.03.2025** (within ten years) if the income escaping assessment was more than **Rs.50,00,000/-**.

30. Since the income allegedly escaping assessment is **more than Rs.50,00,000/-** for the **Assessment Year 2014-2015**, a Notice under Section



W.P.No.24726 of 2022

148 of the Act under the new regime could be issued under the new regime if the limitation had not expired under the old regime. This is the purport of 1st proviso to Section 149 of the Act. The first proviso to Section 149 of the Act is reproduced below:-

*“Provided that no notice under Section 148 shall be issued at any time in a case for the relevant assessment year beginning on or before **1st day of April, 2021**, if \*[a notice under section 148 or section 153A or section 153C could not have been issued at that time on account of being beyond the time limit specified under the provisions of clause (b) of sub-section (1) of this section or section 153A or section 153C, as the case may be], as they stood immediately before the commencement of the Finance Act, 2021;”*

*\* Amended by the Finance Act, 2022, w.r.e.f. 01.04.2021*

31. The last date to issue the Notice under Section 148 of the Act under the old regime would have expired on **30.06.2021**. Since Section 148 Notice issued under the old regime was issued on **30.06.2021** before the expiry of limitation of **six years** under the Old Regime, the Assessing Officer has a period up to **Ten years** from the end of the Assessment Year to issue the reassessment notice under Section 148 of the Act under the new regime.



W.P.No.24726 of 2022

32. Since **Section 148** Notice issued under the old regime on **30.06.2021** was in time for the purpose of issuance of Section 148 Notice under the new regime, the impugned Section 148 Notice issued on **29.07.2022** under the new regime is also in time, as the income that had allegedly escaped assessment was more than **Rs.50,00,000/-**. In fact, the Assessing Officers has time upto **31.03.2025** to issue a Notice under Section 148 of the Act under the new regime with effect from **01.04.2021**.

33. Therefore, the argument of the learned counsel for the Petitioner that the impugned Section 148 Notice dated **29.07.2022** is barred by limitation in view of the first proviso to Section 149 of the Act as in force with effect from 01.04.2021 stands answered against the Petitioner in accordance with the ratio in **Ashish Agarwal case** (cited *supra*) and **Rajeev Bansal case** (cited *supra*) and in accordance with the 1st proviso to Section 149 of the Act. The exclusions contained therein operate against the Petitioner in so far as limitation is concerned.

34. It is further noticed that Section 148 Notice dated **29.07.2022** issued pursuant to the impugned Order dated 28.07.2022 passed under Section 148A(d) of the Act under the new regime had also preceded with an



W.P.No.24726 of 2022

approval from the 'Specified Authority' under Section 151 of the Income Tax Act, 1961 viz., the Principal Chief Commissioner of Income Tax, Tamil Nadu and Puducherry as amended with effect from 01.04.2021. Therefore, the challenge to the impugned proceedings on this count also have to fail.

35. Accordingly, this Writ Petition is dismissed with the above observation. No costs. Connected Writ Miscellaneous Petitions are closed.

18.11.2025

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Neutral Citation : Yes / No

To

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20/22



W.P.No.24726 of 2022

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W.P.No.24726 of 2022

**C.SARAVANAN, J.**

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W.P.No.24726 of 2022

18.11.2025