IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 24.11.2025

CORAM :

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.Nos.27362 and 27366 of 2022
and
W.M.P.Nos.26560, 26561, 26562, 26565, 26568, 26569,
31090 and 31097 of 2022

E2E Supply Chain Solutions Limited,
Represented by its Director
R.Vasudevan ... Petitioner in both W.Ps

Vs.

1.The Assistant Commissioner of Income Tax,
Corporate Circle-2(1), Chennai,
Income Tax Department,
121, Nungambakkam High Road,
Nungambakkam, Chennai – 600 034.

2.The Principal Commissioner of Income Tax,
Chennai – 2,
Income Tax Department,
121, Nungambakkam High Road,
Nungambakkam, Chennai – 600 034. ... Respondents in both W.Ps

Prayer in W.P.No.27362 of 2022: Writ Petition is filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records of the Writ Petitioner on the file of the 1st Respondent to quash the Impugned Order under Section 148A(d) of the Income Tax Act, 1961 dated 28.07.2022 in DIN and Order DIN and Order No.ITBA/COM/F/17/2022-23/1044233375(1) and consequential Notice issued under Section 148 of the Income Tax Act, 1961 dated 28.07.2022 in DIN and Document No.ITBA/AST/M/148-1/2022-23/1044303105(1) for the Assessment Year 2016-17.

Prayer in W.P.No.27366 of 2022: Writ Petition is filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records of the Writ Petitioner on the file of the 1st Respondent to quash the Impugned Order under Section 148A(d) of the Income Tax Act, 1961 dated 28.07.2022 in DIN and Order DIN and Order No.ITBA/COM/F/17/2022-23/1044236013(1) and consequential Notice issued under Section 148 of the Income Tax Act, 1961 dated 28.07.2022 in DIN and Document No.ITBA/AST/M/148-1/2022-23/1044307910(1) for the Assessment Year 2017-18.

For Petitioner : Mr.A.S.Sriraman
(In both W.Ps)

For Respondents : Mr.Avinash Krishnan Ravi
(In both W.Ps) Junior Standing Counsel

COMMON ORDER

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

2. In these Writ Petitions, the Petitioner has challenged the respective Section 148A(d) orders both dated 28.07.2022 passed by the 1st Respondent and consequential Section 148 Notices issued under the new regime of the Income Tax Act, 1961 as in force with effect from 01.04.2021 for the Assessment Years 2016-2017 and 2017-2018.

3. The limitation for issuance of Section 148 Notices under the old regime as in force till 31.03.2021 for the aforesaid Assessment Years 2016-2017 and 2017-2018 expired on the following dates:-

Assessment Years	**2016-2017**	**2017-2018**
Normal period of limitation of **four years**	31.06.2021*	31.03.2022
Extended period of limitation of **six years**	31.03.2023	31.03.2024

*[Note: *However, the 4 years stood extended to **30.06.2021** in view of the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 (TOLA).]*

4. In these cases, the Petitioner was issued with Section 148 Notices on 29.06.2021 for both the aforesaid Assessment Years under the old regime as in force till 31.03.2021. This was ostensibly on account of extension of time for the Assessment Year 2016-2017 under the provisions of the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020. Meanwhile, the Hon'ble Supreme Court rendered its decision on 04.05.2022 in **Union of India and Others** Vs. **Ashish Agarwal**, [2023] 1 SCC 617.

5. The decision of the Hon'ble Supreme Court in **Ashish Agarwal case** (cited *supra*) which was implemented by the Central Board of Direct Taxes (CBDT) vide **Instruction No.01 of 2022** dated **11.05.2022** was re-examined by a larger bench of the Hon'ble Supreme Court in **Union of India and others** Vs.

Rajeev Bansal, [2024] 167 taxmann.com 70 SC / 2024 SCC Online SC 2693 vide its Order dated **03.10.2024** in **Civil Appeal No.8629 of 2024**.

6. There, the Hon'ble Supreme Court framed the following issues for consideration:

(a) Whether the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 and Notifications issued under it will also apply to Re-assessment Notices issued after April 1, 2021; and

(b) Whether the Re-assessment Notices issued under Section 148 of the new regime between July and September 2022 are valid.

7. In Paragraph No.114, the Hon'ble Supreme Court in **Rajeev Bansal case** (cited *supra*) has given its conclusion. Paragraph No.114 of the Judgment in **Rajeev Bansal case** (cited *supra*) is reproduced below:-

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

(a) After April 1, 2021, the Income-tax Act has to be read along with the substituted provisions;

(b) 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;

(c) 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;

(d) 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****;*

(e) 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;

(f) The directions in Union of India v. 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;

(g) 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 assessees in terms of the directions issued by this court in Union of India v. Ashish Agarwal [(2022) 444 ITR 1 (SC); (2023) 1 SCC 617.] , and the period of two weeks allowed to the assessees to respond to the show-cause notices; and

(h) 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;

8. The limitation for issuance of Section 148 Notice under the new regime as in force with effect from 01.04.2021 for the aforesaid relevant Assessment Years are as follows:-

Assessment Years	**2016-2017**	**2017-2018**
Normal period of limitation of **three years**	30.06.2021*	30.06.2021*
Extended period of limitation of **ten years**	31.03.2027	31.03.2028

*[Note: *However, the 3 years stood extended to* ***30.06.2021*** *in view of the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 (TOLA).]*

9. *Sine qua non* for issuance of Section 148 Notice under the new regime is that the period of limitation for issuance of Section 148 Notice under the old regime should not have expired.

10. Earlier, the pecuniary jurisdiction for issuance of Section 148 Notice was Rs.50,000/- and above for four years and six years respectively. 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.

11. Under the new regime if the income alleged to have escaped assessment is **below Rs.50,00,000/-**, the limitation is **three years** and if the income alleged to have escaped assessment is **above Rs.50,00,000/-**, the limitation is **ten years**. Further, to issue Notice under Section 148 of the Income Tax Act, 1961 as in force with effect from 01.04.2021, appropriate approval from the specified authority under Section 151 of the Income Tax Act, 1961 has to be obtained.

12. Relevant dates for the present case in these Writ Petitions are as follows:-

29.06.2021	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)
20.05.2022/ 23.05.2022	Notice under Section 148A(b) of the Act
14 days	Time granted for the Petitioner to file a reply
03.06.2022	Reply given by the Petitioner

28.07.2022	Order under Section 148A(d) of the Act (new regime)
28.07.2022	Notice under Section 148 of the Act (new regime)

13. In the present case, the income escaping assessment for the **Assessment Year 2016-2017** and **2017-2018** allegedly is **less than Rs.50,00,000/-**. The Notice under Section 148 of the Act under the old regime ought to have been issued on or before **31.06.2021**.

14. 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) Act, 2020.

15. Applying the above ratio to the facts of the case it is clear that the Notice that was issued on **29.06.2021** under Section 148 of the Act for the **Assessment Year 2016-2017** and **2017-2018** 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*).

16. 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 **29.06.2021** is deemed to have been stayed for thirty (30) days for the Income Tax Department to provide the respective assessees information and material relied upon and two weeks thereafter for the assessees to reply to the Show Cause Notices.

17. Therefore, after accounting for all the exclusions, the Assessing Officer will have the remaining days left between the date of issuance of Notice under Section 148 of the Act under the old regime in the respective cases till the date of limitation to issue Notice under Section 148 of the Act under the new regime. The time starts for the Assessing Officer immediately after receiving the response of the assessee.

18. In the present case, Notice under Section 148 of the Act under the old regime itself was issued on the last date of limitation viz., 29.06.2021. After the exclusions i.e., excluding the thirty days and fourteen days time period granted by the Hon'ble Supreme Court in **Ashish Agarwal case** (cited *supra*), there is no further time available for the Assessing Officer to issue Notice under Section 148 of the Act under the new regime barring the 7 days as provided under fourth

Proviso to Section 149 of the Act as amended with effect from 01.04.2021. This is evident from the illustration in Paragraph No.112 of **Rajeev Bansal case** (cited *supra*).

19. Since the Section 148 Notice under the old regime was issued on 29.06.2021, the remaining period for issuance of Section 148 Notice was seven days from the date of the reply of the Petitioner. The reply of the Petitioner was submitted on 03.06.2022 for both the aforesaid Assessment Years. Therefore, Section 148A(d) orders ought to have been passed on or before 11.06.2022. The Section 148A(d) impugned Order and the consequential Section 148 Notice are both dated 28.07.2022. They are clearly beyond the period of limitation.

20. Thus, the proceedings initiated on **29.06.2021** which were lately substituted by a Notice under Section 148A(b) dated **20.05.2022 / 23.05.2022** for the **Assessment Years 2016-2017** and **2017-2018** which culminated in the impugned Order Section 148A(d) dated 28.07.2022 and Notice under Section 148 dated 28.07.2022 are to be held beyond time.

21. In view thereof, the impugned re-assessment proceedings is liable to be quashed and is accordingly quashed.

22. These Writ Petitions stand allowed. No costs. Connected Writ Miscellaneous Petitions are closed.

24.11.2025

nvi / arb

Neutral Citation : Yes / No

To:

1.The Assistant Commissioner of Income Tax,
Corporate Circle-2(1), Chennai,
Income Tax Department,
121, Nungambakkam High Road,
Nungambakkam, Chennai – 600 034.

2.The Principal Commissioner of Income Tax,
Chennai – 2,
Income Tax Department,
121, Nungambakkam High Road,
Nungambakkam, Chennai – 600 034.

C.SARAVANAN, J.

nvi / arb

W.P.Nos.27362 and 27366 of 2022

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