



**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION**

WRIT PETITION NO. 1378 OF 2026

ECGC Limited

.. Petitioner

Versus

Assistant Commissioner of Income-tax,
Circle – 3(1)(1), Mumbai and Ors.

.. Respondents

***Adv. Madhur Agrawal**, a/w **Adv. Punit J. Shah**, i/b **Adv. Atul K. Jasani**, for the Petitioner.*

***Adv. Arjun Gupta (through V.C.)**, for the Respondents/Revenue.*

**CORAM: B. P. COLABAWALLA &
FIRDOSH P. POONIWALLA, JJ.**

DATE: MARCH 30, 2026

P. C.

1. Rule. Rule is made returnable forthwith, and the Petition is heard finally at the admission stage itself. Respondents waive service.

2. By this Petition, the Petitioner challenges (i) the assessment order dated 21st March 2025 passed under Section 143(3) read with Section 144B of the Income-tax Act, 1961 (for short “**IT Act**”) for the Assessment Year 2023-24 which is digitally signed on 25th December 2025 by the Assessment Unit (Respondent No. 2); and (ii) the notice of demand dated

21st March 2025 issued by Respondent No. 2 which is digitally signed on 12th December 2025 for the Assessment Year 2023-24.

3. The facts relevant for the purpose of this Petition are that the Petitioner had filed the Return of Income for Assessment Year 2023-24, and the said Return of Income was selected for complete scrutiny. The scrutiny assessment was undertaken by Respondent No. 2. Respondent No. 2 issued the final show cause notice dated 10th March 2025, seeking certain clarifications from the Petitioner. The Petitioner filed the response to the said notice on 11th March 2025. Personal hearing was also granted to the Petitioner on 13th March 2025. Although no assessment order was passed for the Assessment Year 2023-24, the Petitioner noticed that a demand of Rs. 16.27 Crores was reflected on the income-tax portal on 12th March 2025 for the said Assessment Year. Accordingly, the Petitioner raised grievances before various authorities, as it was the case of the Petitioner that neither any assessment order was received by the Petitioner nor any assessment order has been uploaded on the Income-tax portal for the said year. Thereafter, the Petitioner directly received a communication dated 3rd December 2025 from the Jurisdictional Assessing Officer (Respondent No. 1), stating that as per the record, the demand of Rs. 16.27 Crores is outstanding for the Assessment Year 2023-24 and the Petitioner was requested to pay the said demand. The

Petitioner filed a response to the said letter reiterating the fact that the assessment order has neither been served on the Petitioner nor uploaded on the Income-tax portal, and therefore, the said demand is not recoverable. The Petitioner ultimately received an email from Respondent No. 1, acknowledging the contention of the Petitioner that no assessment order or demand notice has been served via email or post, nor any order has been uploaded on the portal, is found to be correct. The Petitioner has now been served on 5th February 2026 by email (i) the assessment order dated 21st March 2025 for the Assessment Year 2023-24 which is digitally signed by Respondent No. 2 on 25th December 2025 along with the computation-sheet dated 21st March 2025, digitally signed on 24th December 2025; and (ii) the notice of demand dated 21st March 2025; which is digitally signed by Respondent No. 2 on 12th December 2025.

4. The Petitioner has filed the present Petition to challenge the said assessment order and the notice of demand, as *inter alia* being barred by limitation.

5. Mr. Agrawal, the learned Counsel appearing on behalf of the Petitioner, submitted that Section 153(1) read with the fourth proviso of the IT Act provides that no assessment order shall be made under Section 143(3) of the IT Act at any time after the expiry of twelve months from the end of the

Assessment Year in which the income was first assessable. The relevant assessment year is Assessment Year 2023-24, and therefore, the period of 12 months from the end of the assessment year would expire on 31st March 2025. Hence, the time limit to make an assessment for the Assessment Year 2023-24 is 31st March 2025. Mr. Agrawal submitted that although the assessment order is dated 21st March 2025, however, the assessment order cannot be said to be made before it is signed by the competent authority. Referring to the digital signature of Respondent No. 2 in the assessment order, Mr. Agrawal submitted that the said assessment order is admittedly signed on 25th December 2025 and, therefore, the said assessment order cannot be said to have been made before 25th December 2025. Accordingly, Mr. Agrawal submitted that the said assessment order, being barred by limitation, is required to be quashed and set aside. Mr. Agrawal further submitted that similarly, the computation sheet and the notice of demand, also being signed after 31st March, 2025, are invalid and bad in law. Mr. Agrawal further submitted that the notice of demand is also invalid as the said notice of demand could not have been signed before passing the assessment order, and therefore, the notice of demand, having been signed on 12th December 2025, i.e. much before the assessment order, which is purportedly signed on 25th December 2025, is invalid and bad in law.

6. We have heard the parties and perused the documents filed in the present Petition. We have also gone through the assessment order, computation of income and the notice of demand for the Assessment Year 2023-24. It is not in dispute before us that the assessment order, though dated 21st March 2025, has been signed on 25th December 2025, and the notice of demand, though dated 21st March 2025, has been signed on 12th December 2025. Section 153(1) of the IT Act and the fourth proviso provides:

“(1) No order of assessment shall be made under section 143 or section 144 at any time after the expiry of twenty-one months from the end of the assessment year in which the income was first assessable:

....

Provided also that in respect of an order of assessment relating to the assessment year commencing on or after the 1st day of April, 2022, the provisions of this sub-section shall have effect, as if for the words “twenty-one months”, the words “twelve months” had been substituted.”

7. Therefore, it is clear that the time limit, to make the assessment order available to the Assessing Officer for the Assessment Year 2023-24 is 12 months from the end of the Assessment Year and would, therefore, expire on 31st March 2025.

8. The only question which arises for consideration is when can the assessment order be said to be made as required in Section 153 of the IT Act.

In this regard, reference can be made to the decision of the Supreme Court, in the case of ***Kalyankumar Ray v. CIT, 191 ITR 634***, where the Apex Court was considering the issue as to whether computation of demand should be in the assessment order itself or not. The Supreme Court held that even if the said computation is made in writing and in a separate form, the same should be treated as part of the assessment order. While interpreting the provision of Section 143(3) of the IT Act, the Apex Court, referring to various earlier decisions, held as under:

“..... All these decisions emphasise that all that is needed is that there must be writing initialed or signed by the Income-tax Officer before the period of limitation prescribed for completion of the assessment has expired in which the tax payable is determined and not that the form usually styled as “assessment order” should itself contain the computation of tax as well.”

9. Similarly, the Apex Court in the case of ***Smt. Kailasho Devi Barman v. CIT 219 ITR 214 (SC)***, following the decision of *Kalyankumar Ray v CIT (supra)*, upheld the order of the Tribunal by holding that Revenue was unable to establish by production of a signed assessment order that there was a valid assessment in the case of the Assessee, and therefore, the assessment was to be quashed. Further in the case of ***Collector of Central Excise v M.M. Rubber and Co. 1992 Supp (1) SCC 471*** while considering the provision of Section 35E of the Central Excises and Salts Act, 1944, the Court held as under –

“12. It may be seen therefore, that, if an authority is authorised to exercise a power or do an act affecting the rights of parties, he shall exercise that power within the period of limitation prescribed therefore. The order or decision of such authority comes into force or, becomes operative or becomes an effective order or decision on and from the date when it is signed by him. The date of such order or decision is the date on which the order or decision was passed or made: that is to say when he ceases to have any authority to tear it off and draft a different order and when he ceases to have any locus poenitentiae. Normally that happens when the order or decision is made public or notified in some form or when it can be said to have left his hand. The date of communication of the order to the party whose rights are affected is not the relevant date for purposes of determining whether the power has been exercised within the prescribed time.”

10. Further, this Court in the case of **Ambernath City Hospital (P) Ltd. v. UOI [(2026) 182 taxmann.com 268 (Bombay)]**, has, in the context of an unsigned notice issued under Section 148 of the IT Act, quashed the said unsigned notice by holding that the notice, which does not bear a digital or manual signature, is invalid and would not invest in the Assessing Officer any further jurisdiction to proceed to re-assess the income of the assessee. Paragraphs 4 and 7 of the said judgment read thus:

“We have perused the papers and proceedings in the above Writ Petition. We have also gone through the Notice issued under Section 148, as well as the Affidavit in Reply filed by the Revenue. It is not in dispute before us that the Notice issued under Section 148 is unsigned. It is neither digitally signed nor manually signed by the concerned Assessing Officer. Once this is the case, we find that the issue in the present Petition is squarely covered by the decision of this Court in the case of Prakash Krishnavtar Bhardwaj (supra). This Court, after examining the law on the subject, has clearly opined that the Notice issued under Section 148, having no signature affixed to it, either digitally or manually,

is invalid and would not invest in the Assessing Officer any further jurisdiction to proceed to re-assess the income of the Petitioner. The relevant portion of the aforesaid decision is reproduced hereunder:

"19. Applying the ratio of the judgment of the Calcutta High Court in B.K. Gooyee and Aparna Agency (P) Ltd. (supra) to the facts of the present case, the signature of the Assessing Officer admittedly not having been affixed on the notice issued u/s. 148 of the IT Act, the notice itself would be invalid and consequently, the Assessing Officer could not assume jurisdiction to proceed in the matter in terms of section 148 of the Act. The Madhya Pradesh High Court in Umashankar Mishra (supra) has dealt with a similar fact situation where the first substantial question of law dealt with in that case had considered the effect of whether an unsigned notice can be considered as an irregularity or clerical mistake. The Madhya Pradesh High Court after making reference to the conclusions drawn in B.K. Gooyee (supra) by the Calcutta High Court, has taken the view, that a notice without a signature affixed on it is an invalid notice and is effectively no notice in the eyes of law.

20. The Madhya Pradesh High Court in Umashankar (supra) has further dealt with the second substantial question of law as to whether the Tribunal was right in holding that the absence of a signature on the notice constitutes a mistake or omission within the meaning of section 292B of the IT Act and while addressing itself to that question, has concluded that in the absence of a signature on the notice, the same would not constitute a mistake or omission and would not be curable under the provisions of section 292B of the IT Act.

21. We are, therefore, of the considered opinion that in the present case, the notice u/s.148 dated 02.04.2022 having no signature affixed on it, digitally or manually, the same is invalid and would not vest the Assessing Officer with any further jurisdiction to proceed to reassess the income of the petitioner. Consequently, the notice dated 02.04.2022 u/s. 148 of the Act issued to the petitioner being invalid and sought to be issued after three years from the end of the relevant assessment year 2015-16 with which we are

concerned in this petition, any steps taken by the respondents in furtherance of notice dated 21.03.2022 issued under clause (b) of section 148A of the Act and order dated 02.04.2022 issued under clause (d) of section 148A of the Act, would be without jurisdiction, and therefore, arbitrary and contrary to Article 14 of the Constitution of India. Consequently, we quash and set aside the notice dated 02.04.2022 issued by the respondents u/s. 148 of the Act, order dated 02.04.2022 under clause (b) of section 148A of the Act and notice dated 21.03.2022 issued under clause (b) of section 148A of the Act.

....

7. This apart, we find that Section 282A of the I.T. Act itself stipulates that where the I.T. Act requires the Notice or other document to be issued by the Income Tax Authority, such Notice or other document shall be signed and issued in paper form or communicated in electronic form by that authority in accordance with such procedure as may be prescribed. In other words, there is a statutory mandate that a Notice issued under Section 148 has to be signed by the concerned Authority. Failure to do so, would render the Notice invalid."

11. In our view, considering the aforesaid decisions and the provisions of Section 153 of the IT Act, it is clear that signature, either manual or digital, is necessary for an order to have been made and for such order to be within the period of limitation, such signature must be before the period of limitation prescribed to make such an order. In the present case, admittedly, the assessment order, the computation-sheet and the notice of demand are all signed beyond the period of limitation and, hence, the same cannot be said to have been made within the period of limitation and are liable to be quashed and set aside.

12. In view of the foregoing discussion, the Petition succeeds and is allowed in terms of prayer clause (a), which reads thus:

“(a) that this Hon’ble Court be pleased to issue a Writ of Certiorari or any other writ order or direction under Article 226 of the Constitution of India calling for the records of the case leading to the passing of the impugned order (Exhibit R) dated 21st March, 2025 by Respondent No. 2 and the issue of the impugned notice of demand (Exhibit S) dated 21st March, 2025 by Respondent No. 2 for the assessment year 2023-24 and after going through the same and examining the question of legality thereof quash, cancel and set aside the impugned order (Exhibit R) dated 21st March, 2025 passed by Respondent No. 2 and the impugned notice of demand (Exhibit S) dated 21st March, 2025 issued by Respondent No. 2 for the assessment year 2023-24;”

13. Rule is made absolute in the aforesaid terms, and the Writ Petition is also disposed of in terms thereof. However, there shall be no order as to costs.

14. This order will be digitally signed by the Private Secretary/ Personal Assistant of this Court. All concerned will act on production by fax or email of a digitally signed copy of this order.

[FIRDOSH P. POONIWALLA, J.]

[B. P. COLABAWALLA, J.]