



W.P.No.15322 of 2023

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 20.04.2026

CORAM

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.15322 of 2023

and

W.M.P.Nos.14824 and 14826 of 2023

M/s. Exemplarr Worldwide Limited,
Represented by its Managing Director
Mr.V.P.Rajini Reddy
141, Rajiv Gandhi Salai
OMR Kottivakkam
Chennai – 600041.

Now having office at
No.57/2b Sai Subhodaya Apartment
1st Floor, East Coast Road,
Thiruvanmiyur, Chennai – 600 041.

... Petitioner

Vs.

1. The Central Board of Direct Taxes,
Represented by its Chairperson,
Department of Revenue – Ministry of Finance,
Government of India,
New Delhi.

2.The Deputy Commissioner of Income Tax,
Central Circle 2(2),
Nungambakkam,
Chennai – 600034.

... Respondents



W.P.No.15322 of 2023

Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, calling for the records in PAN: AACCR5263P and quash the impugned Notice u/s 148 of the Income Tax Act, 1961 in ITBA/AST/S/91/2022-23/1044350702(1) dated 30.07.2022 issued by the 2nd Respondent and the consequential order u/s 147 read with Section 143(3) of the Income Tax Act, 1961 in ITBA/AST/M/147/2022-23/1051784732(1) dated 31.03.2023 passed by the 2nd Respondent for the Assessment Year 2013-2014 as illegal and without jurisdiction.

For Petitioner : Mr.R.Sivaraman

For Respondents : Mr.A.P.Srinivas
Senior Standing Counsel

ORDER

In this Writ Petition, the Petitioner has challenged the impugned Section 148 Notice dated **30.07.2022** of the Income Tax Act, 1961 (hereinafter referred to as Act), which has culminated in the impugned Assessment Order dated **31.03.2023** passed by the 2nd Respondent under Section 147 read with Section 143(3) of the Income Tax Act, 1961 on the ground that they are without jurisdiction.

2. The case of the Petitioner is that the statutory approval required under Section 151 the Act ought to have been obtained from the Principal Chief Commissioner and not from the Director General under the new regime

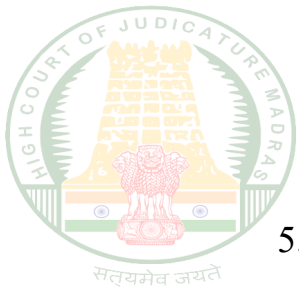


W.P.No.15322 of 2023

as in force from **01.04.2021**. According to the Petitioner, the Return of **Income** originally filed culminated in an Assessment Order dated **31.03.2016** under Section 143(3) of the Act against which Appeal is pending before the Appellate Forum.

3. Dispute in the present case relates to an inter-corporate loan for a sum of **Rs.10,18,80,000/-** received by the Petitioner from M/s.Ananya Infrastructure Pvt. Ltd. It is submitted that the said inter-corporate loan was also reflected in the books of accounts. It is submitted that the explanation offered by the Petitioner was accepted in the said Assessment Order dated **31.03.2016**.

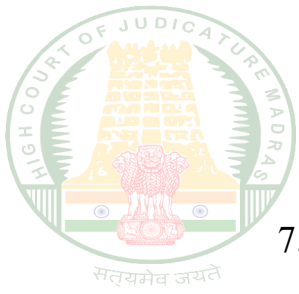
4. It is stated that the Petitioner had furnished ledger extracts, bank statements, confirmation letters, PAN details, and financial statements of the creditor of Petitioner Company to establish the identity, genuineness, and creditworthiness of the lender. According to the Petitioner, once such materials were furnished, the burden stood discharged and it was for the Department to establish that the amount represented undisclosed income in the hands of the Petitioner.



W.P.No.15322 of 2023

5. The Petitioner further contends that though a statement was recorded from one of the Directors regarding the lending company, such person was not directly in charge of its affairs, and therefore any inability on his part to furnish further particulars could not be a ground to draw an adverse inference that income had escaped assessment for the **Assessment Year 2013-2014**. It is also submitted that the transactions were routed through regular banking channels, and both entities are corporate assesses who regularly file Returns of Income and statutory records.

6. In this case proceedings for reopening the assessment were initiated by issuance of Section 148 Notice dated **30.06.2021**, followed by Section 148A(b) Notice dated **02.06.2022** after the Hon'ble Supreme Court rendered its decision in **Union of India and others Vs. Ashish Agarwal**, 2022 SCC Online SC 543 vide Order dated **04.05.2022**, to which the Petitioner submitted a Reply dated **13.07.2022** under Section 148A(c) of the Act. Thereafter, the impugned Order dated **30.07.2022** came to be passed under Section 148A(d) of the Act and a consequential Section 148 Notice also dated **30.07.2022** which has culminated in the impugned Assessment Order dated **31.03.2023**.

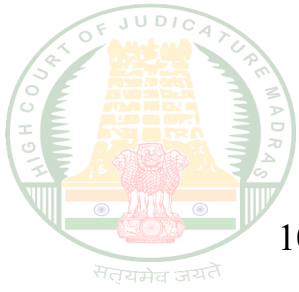


W.P.No.15322 of 2023

7. The learned counsel for the Petitioner submitted that the issue relating to the receipt of **Rs.10,18,80,000/-** from M/s.Ananya Infrastructure Pvt. Ltd. had already been examined in the original assessment proceedings completed under Section 143(3) of the Act on **31.03.2016**, and the explanation furnished by the Petitioner was accepted and that the Petitioner had discharged the burden case upon it by furnishing all relevant materials and therefore, the reopening of assessment was without jurisdiction.

8. The Petitioner has already preferred an Appeal before the Appellate Authority on factual aspects arising out of the Assessment Order dated **31.03.2016**. Notices under Section 148 were issued on **30.06.2021** seeking to reopen the assessment for the relevant Assessment Years.

9. Placing reliance upon the provisions of Sections 148A, 149 and 151 of the Act, as amended with effect from **01.04.2021**, the learned counsel for the Petitioner submitted that the impugned proceedings are clearly barred by limitation and are also vitiated for want of proper sanction, since approval ought to have been obtained from the competent authority under Section 151, namely the Principal Chief Commissioner, whereas in the present case, approval was obtained only from the Director General.



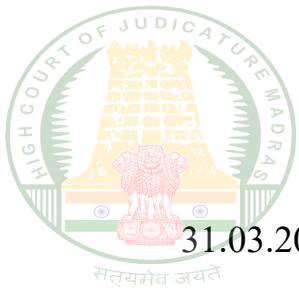
W.P.No.15322 of 2023

10. *Per contra*, learned Senior Standing Counsel for the Respondents submitted that the Petitioner did not initially respond within the time stipulated in the Notice issued under Section 148A(b) of the Act dated **02.06.2022**, and that the Reply was submitted only on **13.07.2022**, pursuant to which the impugned Order under Section 148A(d) of the Act was passed on **30.07.2022** and Section 148 Notice was issued on **30.07.2022**. It is therefore contended that the proceedings were validly initiated and the Assessment Order dated **31.03.2023** was within jurisdiction.

11. The learned Senior Standing Counsel for the Respondents also drew attention to the *Proviso* to Section 149 and placed reliance on Section 148A(d) of the Act in support of the impugned proceedings.

12. I have considered the arguments advanced by the learned counsel for the Petitioner and the learned Senior Standing Counsel for the Respondents.

13. The dispute in the present case pertains to the Assessment Year **2013-2014**. The limitation for issuing a Notice under amended Section 148 of the Act and amended Section 149 of the Act would have expired on



W.P.No.15322 of 2023

31.03.2017 and 31.03.2024. The following tabulation will give the dates for expiry of limitation under Section 149 of the Act under the old regime and under the new regime:-

Assessment Year 2013-2014 (Last date 31.03.2014)		
Old Regime till 31.03.2021	4 Years	6 Years
	31.03.2018	31.03.2020*
New Regime with effect from 01.04.2021	3 Years	10 Years
	31.03.2017	31.03.2024

Note: [* Extended to 30.06.2021 in view of the **Taxation and other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020.**]

14. In this case, earlier, a Section 148 Notice was issued straight away on **30.06.2021**. It was under the old regime, despite the law having changed with effect from **01.04.2021** for the **Assessment Year 2013-2014**. In this context, the Hon'ble Supreme Court on **04.05.2022** in **Union of India Vs. Ashish Agarwal**, (2023) 1 SCC 617, clarified the legal position in Paragraph No.10. Paragraph No.10 is reproduced below:-

“10. 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.



WEB COPY



W.P.No.15322 of 2023

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 showcause 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 assesseees can reply to the showcause 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 one-time 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



WEB COPY

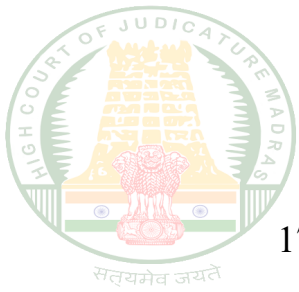


W.P.No.15322 of 2023

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. Thus, as per the above decision of the Hon'ble Supreme Court in **Ashish Agarwal case** (cited *supra*), a Re-Assessment Notice under Section 148 of the old regime was to be treated as Section 148A(b) Notice for the Assessing Officers for issuance of a Re-Assessment Notice under Section 148 under the new regime within the time limit surviving under the Income Tax Act. The Court therefore did not deal with the provisions of the **Taxation and other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020**.

16. As per the first *Proviso* to Section 149 of the Act as amended with effect from **01.04.2021**, a Section 148 Notice cannot be issued if the limitation under the old regime had already expired. However, Section 148 Notice can be issued after factoring exclusions in-built under the third and fourth *Proviso* to amended Section 149 of the Act. In this case, Section 148A(b) Notice was issued to the Petitioner on **02.06.2022** within **thirty days** from **04.05.2022** (it being the date of the decision of the Hon'ble Supreme Court in **Ashish Agarwal case** (cited *supra*)).



W.P.No.15322 of 2023

17. The above decision was later clarified by the Hon'ble Supreme Court on **03.10.2024** in **Union of India Vs. Rajeev Bansal, (2024) SCC Online SC 2693** in the light of the provisions of the **Taxation and other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020**.

There, the Hon'ble Supreme Court framed the following questions of law for being answered by it:-

“(a) Whether TOLA and notifications issued under it will also apply to reassessment notices issued after 1 April 2021; and

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

18. There, the Hon'ble Supreme Court ultimately clarified the legal position as under:-

“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



WEB COPY



W.P.No.15322 of 2023

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 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;

(g) The time during which the show- cause notices were deemed to be stayed is from the date of issuance of the



WEB COPY



W.P.No.15322 of 2023

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

(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;”

19. As per Paragraph No.114(g) of **Rajeev Bansal case** (cited *supra*), 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 the Hon'ble Supreme Court in **Ashish Agarwal case** (cited *supra*) and the period of two weeks allowed to the assesseees to respond to the Show Cause Notices are to be excluded for computation of limitation under Section 149 of the Act. Therefore, in this case, the time between 30.06.2021 and 02.06.2022 and further period of two weeks has to be excluded for computing limitation for issuance of Section 148 Notice.



W.P.No.15322 of 2023

WEB COPY 20. In Paragraph No.19 of **Rajeev Bansal case** (cited *supra*), a concession was seemingly given by the learned Additional Solicitor General of India, who appeared on behalf of the Department in the above case. This concession is the basis of the challenge to the impugned proceedings by the Petitioner in the present Writ Petition.

21. For the sake of clarity, it will be therefore useful to reproduce Paragraph No.19 of **Rajeev Bansal case** (cited *supra*), which read as under:-

“19. Mr. N Venkataraman, learned Additional Solicitor General of India, made the following submissions on behalf of the Revenue:

a. Parliament enacted TOLA as a free-standing legislation to provide relief and relaxation to both the assesses and the Revenue during the time of COVID-19. TOLA seeks to relax actions and proceedings that could not be completed or complied with within the original time limits specified under the Income-tax Act;

b. Section 149 of the new regime provides three crucial benefits to the assesses: (i) the four-year time limit for all situations has been reduced to three years; (ii) the first proviso to Section 149 ensures that re-assessment for previous assessment years cannot be undertaken beyond six years; and (iii) the monetary threshold of Rupees fifty lakhs will apply to the re assessment for previous assessment years;

c. The relaxations provided under section 3(1) of TOLA apply "notwithstanding anything contained in the specified Act." Section 3(1), therefore, overrides the time limits for issuing a notice under Section 148 read with Section 149 of the Income-tax Act;



WEB COPY

d. TOLA does not extend the life of the old regime. It merely provides a relaxation for the completion or compliance of actions following the procedure laid down under the new regime;

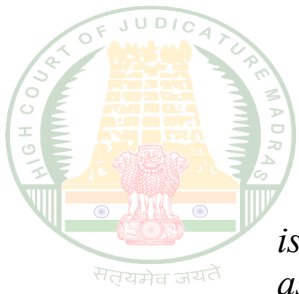
e. The Finance Act 2021 substituted the old regime for re-assessment with a new regime. The first proviso to Section 149 does not expressly bar the application of TOLA. Section 3 of TOLA applies to the entire Income-tax Act, including Sections 149 and 151 of the new regime. Once the first proviso to Section 149(1)(b) is read with TOLA, then all the notices issued between 1 April 2021 and 30 June 2021 pertaining to assessment years 2013-2014, 2014-2015, 2015-2016, 2016-2017, and 2017-2018 will be within the period of limitation as explained in the tabulation below:

Assessment Year	Within 3 Years	Expiry of Limitation read with TOLA for (2)	Within six Years	Expiry of Limitation read with TOLA for (4)
(1)	(2)	(3)	(4)	(5)
2013-2014	31.03.2017	TOLA not applicable	31.03.2020	30.06.2021
2014-2015	31.03.2018	TOLA not applicable	31.03.2021	30.06.2021
2015-2016	31.03.2019	TOLA not applicable	31.03.2022	TOLA not applicable
2016-2017	31.03.2020	30.06.2021	31.03.2023	TOLA not applicable
2017-2018	31.03.2021	30.06.2021	31.03.2024	TOLA not applicable

f. The Revenue concedes that for the assessment year 2015-16, all notices issued on or after 1 April 2021 will have to be dropped as they will not fall for completion during the period prescribed under TOLA;

g. Section 2 of TOLA defines "specified Act" to mean and include the Income-tax Act. The new regime, which came into effect on 1 April 2021, is now part of the Income-tax Act. Therefore, TOLA continues to apply to the Income Tax Act even after 1 April 2021, and

h. Ashish Agarwal (supra) treated Section 148 notices



W.P.No.15322 of 2023

WEB COPY

issued by the Revenue between 1 April 2021 and 30 June 2021 as show-cause notices in terms of Section 148A(b). Thereafter, the Revenue issued notices under section 148 of the new regime between July and August 2022. Invalidation of the Section 148 notices issued under the new regime on the ground that they were issued beyond the time limit specified under the Income-tax Act read with TOLA will completely frustrate the judicial exercise undertaken by this Court in Ashish Agarwal (supra).”

22. As per Section 148A(d) of the Act as in force with effect from **01.04.2021**, the Assessing Officer shall, before issuing any Notice under Section 148 of the Act,

- i. decide, on the basis of material available on record including reply of the assessee, whether or not it is a fit case to issue a Notice under Section 148 of the Act, by passing an order;
- ii. such order shall be passed with the prior approval of Specified Authority,
- iii. such order shall be passed within one month from the end of the month in which the reply referred to in Clause (c) is received by him/her.

23. Where no such Reply is furnished, such order under Section 148A(d) of the Act shall be passed within one month from the end of the month in which time or extended time allowed to furnish a Reply as per Clause (b) expires.

24. Further as per the third *Proviso* to Section 149 of the Act, for the purposes of computing the period of limitation, the time or extended time



W.P.No.15322 of 2023

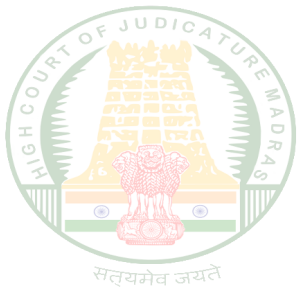
WEB COPY

allowed to the assessee, as per Show Cause Notice issued under Clause (b) of Section 148A of the Act or the period during which the proceeding under Section 148A of the Act is stayed by an order or injunction of any Court, shall be excluded. Amended Section 148A(d) of the Act and Proviso to Section 149 of the Act have to be read in conjunction.

25. Therefore, an order has to be passed by the Assessing Officer within one month from the end of the month in which the Reply referred to in Clause (c) is responded to by the Petitioner.

26. Thus, for the purposes of computation of limitation for passing an order under Section 148A(d) of the Act as provided in Section 148A(d) of the Act and third *Proviso* to Section 149 of the Act, the time between **02.06.2022** and **31.07.2022** is to be excluded for both passing order under Section 148A(d) of the Act and Notice under Section 148 of the Act.

27. This has been also beautifully explained in Paragraph No.112 of the decision of the Hon'ble Supreme Court in **Rajeev Bansal case** (cited *supra*).



W.P.No.15322 of 2023

WEB COPY 28. In fact, in Paragraph No.112 of the decision of the Hon'ble Supreme Court in **Rajeev Bansal case** (cited *supra*), it was also clarified as under:-

“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.”

29. For the sake of clarity, Section 148A(d) of the Act and *Proviso* to Section 149 of the Act are extracted below:-

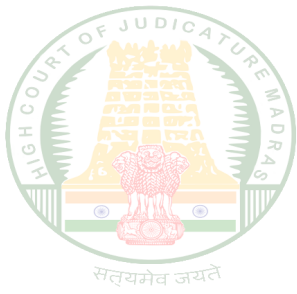
Section 148A(d)
The Assessing Officer shall, before issuing any notice under Section 148, (d) decide, on the basis of material available on record including reply of the assessee, whether or not it is a fit case to issue a notice under Section 148, by passing an order, with the prior approval of specified authority, within one month from the end of the month in which the reply referred to in clause (c)



is received by him, or where no such reply is furnished, within one month from the end of the month in which time or extended time allowed to furnish a reply as per clause (b) expires:

Third Proviso to Section 149	Fourth Proviso to Section 149
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.	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.

30. The so called concession in Paragraph No.19 is confined only to three (3) years limitation under the new regime. This concession is perfectly in line with the first *Proviso* to amended Section 149 of the Act. In other words, if four/six years limitation under the old regime had already expired, there was no scope for issuing a Section 148 Notice under the new regime.



W.P.No.15322 of 2023

WEB COPY

31. On the other hand, if six years limitation under the old regime had not expired on **01.04.2021**, there is no embargo under the new regime to issue a fresh Notice under amended Section 148 of the Act following the procedure under Section 148A of the Act within the limitation under Section 149 of the Act, in view of the provisions of the **Taxation and other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020**.

32. To dispel the apparent confusion, if any, on account of the so called concession given by the learned Additional Solicitor General of India, it has to be underscored that for the **Assessment Years 2013-2014 to 2015-2016**, there was indeed no concession for issuance of Section 148 Notice where extended period of limitation was available. Following table will explain Paragraph No.19 of **Rajeev Bansal case** (cited *supra*):-

Tax Year	Old Regime (4 years)	Old Regime (6 years)	New Regime (3 years)	New Regime (10 years)
2013-2014	31.03.2018	31.03.2020 *	31.03.2017 #	31.03.2024
2014-2015	31.03.2019	31.03.2021 *	31.03.2018 #	31.03.2025
2015-2016	31.03.2020	31.03.2022 (No TOLA)	31.03.2019 #	31.03.2026
2016-2017	31.03.2021	31.03.2023 (No TOLA)	31.03.2020	31.03.2027



W.P.No.15322 of 2023

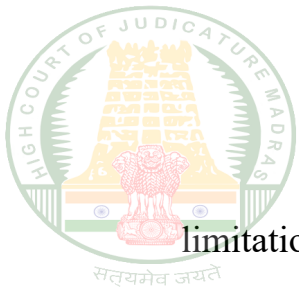
2017-2018	31.03.2022	31.03.2024 (No TOLA)	31.03.2021	31.03.2028
-----------	------------	----------------------	------------	------------

WEB COPY

Note: [* Limitation extended to 30.06.2021 by virtue of the **Taxation and other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020.**
No revival of limitation under the **Taxation and other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020.**]

33. The above table tabulates the limitation in view of first *Proviso* to Section 149 of the Act to which reference will be made in the ensuing paragraphs. Notification(s) issued under the **Taxation and other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020**, extended time only up to **30.06.2021** where 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**.

34. That apart, it has to be remembered Covid-19 pandemic persisted and therefore the Hon'ble Supreme Court was constrained to issue further directions to extend the limitation from time to time in **In Re: Cognizance for Extension of Limitation**. Finally, by its Order dated **10.01.2022**, the Hon'ble Supreme Court in the above case extended the time period by excluding the period between **15.03.2020** and **28.02.2022** for computation of



W.P.No.15322 of 2023

WEB C

limitation prescribed under any general or special laws in respect of **all judicial or quasi judicial proceedings**. Special law would include the Income Tax Act, 1961 and quasi judicial proceedings will include Re-Assessment proceeding under the Income Tax Act, 1961.

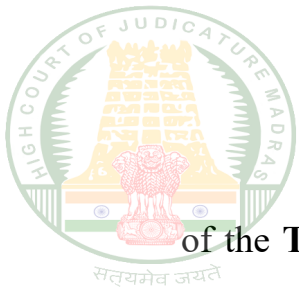
35. There, the Hon'ble Supreme Court held as under:-

“5. Taking into consideration the arguments advanced by learned counsel and the impact of the surge of the virus on public health and adversities faced by litigants in the prevailing conditions, we deem it appropriate to dispose of the M.A.21 of 2022 with the following directions:-

*II. The order dated 23.03.2020 is restored and in continuation of the subsequent orders dated 08.03.2021, 27.04.2021 and 23.09.2021, it is directed that the period from 15.03.2020 till 28.02.2022 shall stand excluded for the purposes of limitation as may be prescribed under any general or special laws in respect of **all judicial or quasi judicial proceedings**.*

III.”

36. Due to the outbreak of Covid-19 pandemic, the last date for issuing a Notice under Section 148 for the **Assessment Year 2013-2014** which was to expire on **31.03.2020** stood extended to **30.06.2021** in terms of Section 3



W.P.No.15322 of 2023

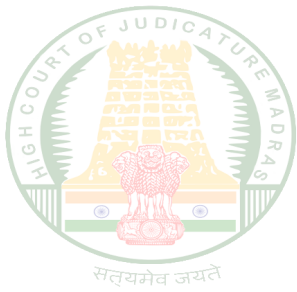
of the **Taxation and Other laws (Relaxation and Amendment of Certain Provisions Act (TOLA), 2020**. This period will therefore exclude time

between **15.03.2020** and **28.02.2022** in terms of the decision of the Hon'ble Supreme Court in **In Re: Cognizance for Extension of Limitation** vide its Order dated **10.01.2022**. Therefore, even otherwise, for computing the 10 years limitation period under the new regime, this period has to be excluded.

37. Section 148 Notice dated **30.06.2021** issued to the Petitioner under the old regime for the **Assessment Year 2013-2014** is deemed to be a Section 148A(b) Notice as per **Ashish Agarwal case** (cited *supra*) and **Rajeev Bansal case** (cited *supra*), for it was issued on the last date of limitation under the amended Section 149 of the Act as in force with effect from **01.04.2021** read with the provisions of the **Taxation and Other laws (Relaxation and Amendment of Certain Provisions Act (TOLA), 2020**.

Therefore, the argument that the proceedings was time barred cannot be countenanced for the following reasons:-

- i. Section 148 Notice issued on **30.06.2021** for the **Assessment Year 2013-2014** is deemed to be a Notice under Section 148A(b) as per the decision of the Hon'ble Supreme Court in **Ashish Agarwal case** (cited *supra*).
- ii. a fresh Notice under Section 148A(b) of the Act was issued within the stipulated time i.e., on **02.06.2022**;
- iii. As per Paragraph No.10(i) of **Ashish Agarwal case** (cited *supra*), the said Notice was to be issued within thirty days

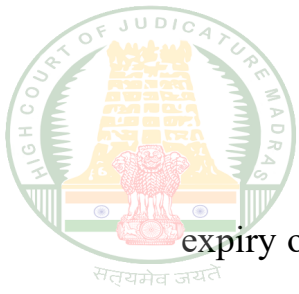


W.P.No.15322 of 2023

WEB COPY

- from the date of the decision of the Hon'ble Supreme Court in **Ashish Agarwal case** (cited *supra*) i.e., from **04.05.2022**;
- iv. In this case, Section 148A(b) Notice was issued on **02.06.2022**. It was issued in time within the time line prescribed by the Hon'ble Supreme Court in **Ashish Agarwal case** (cited *supra*);
- v. The Petitioner was required to respond within 14 days of said Notice dated **02.06.2022**, i.e., on or before **16.06.2022**;
- vi. However, the Petitioner replied only on **13.07.2022**, which has culminated in the impugned Section 148A(d) Order dated **30.07.2022**;
- vii. The Hon'ble Supreme Court in **In Re: Cognizance for Extension of Limitation** rendered its decision on **10.01.2022** extended the time by excluding the time between 15.03.2020 and 28.02.2022 for the purpose of computation of limitation as may be prescribed under any general or special laws in respect of all judicial or quasi judicial proceedings. It would include limitation under Section 149 of the Act.

38. In this case, the Reply to Section 148A(b) Notice dated **02.06.2022** that was issued pursuant to the decision of the Hon'ble Supreme Court in **Ashish Agarwal case** (cited *supra*) was filed on **13.07.2022**. Therefore, an order under Section 148A(d) of the Act had to be passed within one month from the end of the month of such Reply. In other words, order under Section 148A(d) of the Act had to be passed on or before **31.08.2022** i.e., within one month from **31.07.2022**, it being the end of the month of Reply dated **13.07.2022** referred to in Clause (c) to Section 148A of the Act. In this case, Section 148A(d) order is dated **30.07.2022** which was much prior to the



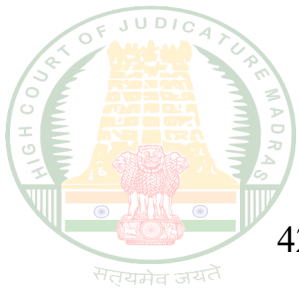
W.P.No.15322 of 2023

expiry of deadline. Thus, order passed under Section 148A(d) of the Income
on **30.07.2022** of the Act was in time.

39. Since Section 148A(d) order was passed on **30.07.2022** much before the expiry of the limitation on **31.08.2022** specified under Section 148A(d) of the Act, it has to be held to have been passed within the time stipulated under it. Therefore, Section 148A(d) order was passed on **30.07.2022** and the Section 148 Notice was issued on the same date for the **Assessment Year 2013-2014** was in time.

40. In this case, Section 148A(d) order was passed on **30.07.2022**. Thus, the Section 148A(d) order dated **30.07.2022** has been passed well ahead of time, as the time for passing such order would have expired only on **31.08.2022**, it being within one month from the Reply dated **13.07.2022** of the Petitioner under Section 148A(c) of the Act.

41. Since, the order dated **30.07.2022**, passed under Section 148A(d) of the Act under the new regime has been passed in time, Section 148 Notice dated **30.07.2022** is also to have been issued in time.



W.P.No.15322 of 2023

WEB COURT

42. The Assessment Order that has been passed subsequently on **31.03.2023** is to be held to be in time within the limitation under Section 153(2) of the Act. Therefore, the impugned Order dated **31.03.2023** is also in time.

43. The challenge to Section 148 Notice dated **30.07.2022** as having been issued without the approval of the Specified Authority is concerned is also to be rejected. Section 151 of the Act defines the expression “Specified Authority”.

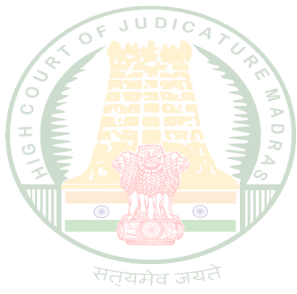
44. Section 151 of the Act as in force with effect from **01.04.2021** reads as under:-

“151. Specified authority for the purposes of section 148 and section 148A shall be, ---

(i) Principal Commissioner or Principal Director or Commissioner or Director, if three years or less than three years have elapsed from the end of the relevant assessment year;

(ii) Principal Chief Commissioner or Principal Director General or Chief Commissioner or Director General, if more than three years have elapsed from the end of the relevant assessment year.

As mentioned above, under Section 148A(d) of the Act, Section 148 Notice has to be issued by the Specified Authority.



W.P.No.15322 of 2023

WEB COPY

45. For the purpose of issuing Notice under Section 148 of the Act under the new regime and for the sake of understanding the Specified Authority, this Court in **D.Tamilselvi and another Vs. The Income Tax Officer, Virudhunagar and others** in **W.P(MD) Nos.30938 of 2024 etc.,** **batch** vide order dated **15.09.2025**, simplified the name of the Specified Authority as under:-

<i>Section 151</i>	<i>Specified authority for Section 148 and 148A of the Act</i>	<i>Authority who sanctioned the order in the present batch of cases</i>
Within three years	(i) Principal Commissioner/or (ii) Principal Director/or (iii) Commissioner/or (iv) Director	
After three years	(i) Principal Chief Commissioner/or (ii) Principal Director General/or (iii) Chief Commissioner/or (iv) Director General	Principal Commissioner

46. In this case, Section 148 Notice dated **30.07.2022** has been issued with the approval of the **Director General of Income Tax (Investigation)**.



W.P.No.15322 of 2023

The said officer is one of the Specified Authority under Section 151(2) of the

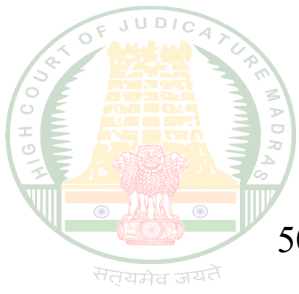
Act.

WEB COPY

47. In this case, Section 148 Notice ought to have been issued with the approval of the Principal Chief Commissioner or the Principal Director General or the Chief Commissioner or the Director General, if more than three years have elapsed from the end of the relevant Assessment Year.

48. Therefore, there is no scope for interfering with the impugned Order on the ground that the order has been passed without approval of the Specified Authority under Section 151 of the Act.

49. Therefore, there is no merits in the challenge to the impugned Section 148 Notice dated **30.07.2022** and the consequential Assessment Order dated **31.03.2023** passed by the 2nd Respondent for the **Assessment Year 2013-2014**. There is no procedural irregularity or perversity in the impugned Assessment Order warranting an interference under Article 226 of the Constitution of India. Therefore, this Writ Petition is liable to be dismissed.



W.P.No.15322 of 2023

50. Since the Petitioner may have a case on merits to assail the Assessment Order, liberty is given to the Petitioner to file an appeal before the Appellate Authority. Therefore, the Petitioner shall file an appeal before the Appellate Authority within a period of thirty (30) days from the date of receipt of a copy of this order in which case, the Appellate Authority shall entertain the appeal and dispose of the same on its turn without further reference to limitation.

51. It is open for the Petitioner to seek for an interim relief if any from the Jurisdictional Assessing Officer or before the Appellate Authority under Section 220(6) of the Income Tax Act, 1961. To facilitate the Petitioner to secure such relief, the recovery proceedings pursuant to the impugned Assessment Order shall be kept in abeyance for a period of twelve (12) weeks from today.

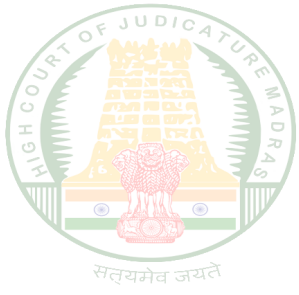
52. This Writ Petition is dismissed with the above liberty. No costs. Connected Writ Miscellaneous Petitions are closed.

20.04.2026

arb/raja

Neutral Citation : Yes / No

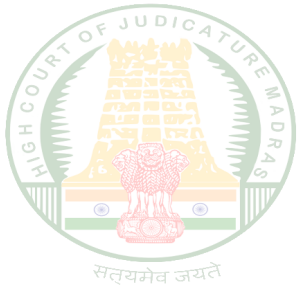
28/30



W.P.No.15322 of 2023

WEB COPY

1. The Chairperson,
Central Board of Direct Taxes,
Department of Revenue – Ministry of Finance,
Government of India, New Delhi.
2. The Deputy Commissioner of Income Tax,
Central Circle 2(2),
Nungambakkam,
Chennai – 600 034.



WEB COPY



W.P.No.15322 of 2023

C.SARAVANAN, J.

arb/raja

W.P.No.15322 of 2023

20.04.2026