

31.03.2026
Sl No.28
Ct. No.237
S.A.

WPA 23801 of 2025

Babylon Trading & Investment Private Limited
-vs-
Union of India & Ors.

Mr. Avra Mazumder
Ms. Alisha Das
Ms. Rupomita Ghosh
...for the petitioner

Mr. Shiv Shankar Banerjee
Mr. Kuntal Kumar Goswami
Mr. Siddhant Chamaria
...for respondent

In the present case, pursuant to a survey conducted by the Department, the assessment for the assessment year 2016–2017 was sought to be reopened by the issuance of a notice dated November 6, 2024 under Section 148A of the Income Tax Act, 1961.

The initiation of such proceedings appears to be time-barred, as the prescribed period of six years had already expired on the date of issuance of the notice under Section 148A of the Act. This legal position has been clarified by the Supreme Court in **Union of India & Others v. Rajib Bansal**, reported in **2024 SCC OnLine SC 2693**. The relevant part of the judgment is quoted below:

“46. The ingredients of the proviso could be broken down for analysis as follows:

- (i) *no notice under Section 148 of the new regime can be issued at any time for an assessment year beginning on or before 1 April 2021;*
- (ii) *if it is barred at the time when the notice is sought to be issued because of the “time limits specified under the provisions of” 149(1)(b) of the old regime. Thus, a notice could be issued under Section 148 of the new regime for assessment year 2021-2022 and before only if the time limit for issuance of such notice continued to exist under Section 149(1)(b) of the old regime.*

49. The first proviso to Section 149(1)(b) requires the determination of whether the time limit prescribed under Section 149(1)(b) of the old regime continues to exist for the assessment year 2021-2022 and before. Resultantly, a notice under Section 148 of the new regime cannot be issued if the period of six years from the end of the relevant assessment year has expired at the time of issuance of the notice. This also ensures that the new time limit of ten years prescribed under Section 149(1)(b) of the new regime applies prospectively. For example,

for the assessment year 2012-2013, the ten year period would have expired on 31 March 2023, while the six year period expired on 31 March 2019. Without the proviso to Section 149(1)(b) of the new regime, the Revenue could have had the power to reopen assessments for the year 2012-2013 if the escaped assessment amounted to Rupees fifty lakhs or more. The proviso limits the retrospective operation of Section 149(1)(b) to protect the interests of the assesses.”

It appears that, during the pendency of the writ petition, an assessment order has already been passed on March 30, 2026.

In view of the aforesaid, there shall be a stay on the operation of the assessment order dated March 30, 2026 for a period of eight weeks from the date hereof.

The respondent is granted liberty to file an affidavit-in-opposition within a period of four weeks from the date hereof; the petitioner may file a reply thereto, if any, within a period of two weeks thereafter.

Let the matter be listed after six weeks under the heading “To Be Mentioned.”

(Kausik Chanda, J.)