



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 21ST DAY OF AUGUST, 2024

BEFORE

THE HON'BLE MR JUSTICE S.R.KRISHNA KUMAR

WRIT PETITION NO. 21709 OF 2024 (T-IT)

BETWEEN:

MAVENIR SYSTEMS PRIVATE LIMITED
A COMPANY REGISTERED UNDER
THE COMPANIES ACT, 1956
7TH FLOOR, MFAR GREEN HEART - PHASE 4,
MANYATA EMBASSY BUSINESS PARK,
OUTER RING ROAD, NAGAWARA,
BENGALURU 560 065.
REPRESENTED BY ITS DIRECTOR
MR. ANUP SUHAS MAHAJAN.

...PETITIONER

(BY SMT. TANMAYEE RAJKUMAR.,ADVOCATE)

AND:

1. ASSESSMENT UNIT,
INCOME-TAX DEPARTMENT,
NATIONAL FACELESS ASSESSMENT CENTRE
ROOM NO. 401, 2ND FLOOR, E-RAMP,
JAWAHARLAL NEHRU STADIUM, DELHI-110 003.
2. THE DEPUTY COMMISSIONER OF INCOME-TAX,
CIRCLE 4(1)(1), BMTc BUILDING, 80 FEET ROAD,
KORAMANGALA, BENGALURU 560 095.
3. PRINCIPAL COMMISSIONER OF
INCOME TAX – 4, BMTc BUILDING,
80 FEET ROAD, KORAMANGALA,
BENGALURU 560 095.
4. THE SECRETARY,
THE DISPUTE RESOLUTION PANEL -2,
A WING, 4TH FLOOR, KENDRIYA SADAN,
KORAMANGALA, BENGALURU 560 034.

...RESPONDENTS

(BY SRI.E I SANMATHI, ADVOCATE)





THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA, PRAYING TO QUASH THE DRAFT ASSESSMENT ORDER DATED. 27.09.2023 BEARING NO. ITBA/AST/F/144C/2023-24/1056601261(1) (ANNEXURE-L) PASSED BY THE R-1 UNDER SECTION 144C OF THE ACT, FOR THE ASSESSMENT YEAR 2020-21 AND QUASH THE DIRECTIONS DATED. 07.06.2024 BEARING NO. ITBA/DRP/M/144C(5)/2024-25/1065457559(1) (ANNEXURE-Q). ISSUED BY THE R-1 UNDER SECTION 144C(5) OF THE ACT, FOR THE ASSESSMENT YEAR 2020-2021 ETC.,

THIS WRIT PETITION, COMING ON FOR ORDERS THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR JUSTICE S.R.KRISHNA KUMAR

ORAL ORDER

In this petition, the petitioner seeks the following reliefs:

*"a) quashing the draft Assessment order dated. 27.09.2023 bearing No. ITBA/AST/F/144C/2023-24/1056601261(1) (**Annexure-L**) passed by the 1st Respondent under Section 144C of the Act, for the assessment year 2020-21;*

*b) quashing the directions dated. 07.06.2024 bearing No. ITBA/DRP/M/144C(5)/2024-25/1065457559(1) (**Annexure-Q**) issued by the 1st Respondent under Section 144C(5) of the Act, for the assessment year 2020-2021;*

*c) quashing the final Assessment order dated. 09.07.2024 bearing No. ITBA/AST/S/143(3)/2024-25/1066516939(1) (**Annexure-V**) passed by the 1st Respondent under Section 143(3) read with Section 144c(13) read with 144B of the Act, for the assessment year 2020-21.*



d) *quashing the demand notice dated. 09.07.2024 bearing No. ITBA/AST/S/156/2024-25/1066517018(1) (Annexure-W) issued by the 1st Respondent under Section 156 of the Act for the assessment year 2020-21.*

e) *quashing of the notice dated 09.07.2024 bearing No. ITBA/PNL/S/271AAC(1)/2024-25/1066517096(1) (Annexure-X1) issued by the 1st Respondent under Section 274 read with Section 271AAC of the Act for assessment year 2020-21.*

f) *quashing of the notice dated. 09.07.2024 bearing No. ITBA/PNL/S/270A/2024-25/1066517095(1) (Annexure-X2) issued by the 1st Respondent under Section 274 read with Section 270A of the Act for Assessment Year 2020-21.*

g) *pass such other or further orders as this Hon'ble Court may deem fit in the facts and circumstances of the case, in the interest of justice and equity."*

2. Heard learned counsel for the petitioner and learned counsel for the respondents and perused the material on record.

3. In addition to reiterating the various contentions urged in the petition and referring to the material on record, learned counsel for the petitioner submits that vide Annexure-D dated 21.07.2023 issued by respondent No.1, the petitioner submitted its reply on 28.07.2023 and 14.08.2023, subsequent to which respondent No.1 issued show-cause notice dated 13.09.2023, to



which also the petitioner also submitted a detailed response dated 21.09.2023 and 27.09.2023, which were followed by the draft assessment order dated 27.09.2023, to which the petitioner filed objections on 26.10.2023, 11.01.2024 and 27.02.2024. Since certain information relied upon by respondent No.1 on the draft assessment order was not made available to the petitioner, the petitioner requested respondent No.4 to direct respondent No.1 to furnish relevant information. Subsequently, the petitioner filed an application under Right to Information Act, 2005, requesting respondent No.2 to provide certain details on 08.03.2024 pursuant to which respondent No.2 furnished details on 23.04.2024 and the petitioner filed its statement before respondent No.4 on 07.06.2024. Thereafter, respondent No.4-The Dispute Resolution Panel (DRP) issued directions vide impugned order at Annexure-Q dated 07.06.2024.

4. Aggrieved by the impugned order at Annexure-Q dated 07.06.2024, the petitioner filed a rectification application at Annexure-S dated 12.06.2024 and also addressed a communication at Annexure-D dated 21.07.2023, requesting the respondent not to proceed further with final Assessment Order and to await disposal of the rectification application before passing the



final Assessment Order. It is the grievance of the petitioner that despite pendency of the rectification application before respondent No.4, respondent No.1 proceeded to pass the impugned final Assessment order, which is illegal and arbitrary, passed in violation of principles of natural justice and the same along with the consequent demand notices and penalty notices deserve to be quashed.

5. Per contra, learned counsel for the respondents submits that there is no merit in the writ petition and that the same is liable to be dismissed.

6. As rightly contended by the learned counsel for the petitioner, the sequence of events noticed above is sufficient to come to the conclusion that before passing of the final Assessment Order, the petitioner had filed rectification application, which was pending before respondent No.4 – DRP, which is the subject matter of the final Assessment Order. It is therefore clear that respondent No.4 ought to have waited till disposal of the rectification application before passing final Assessment Order, which deserves to be set aside on this short ground alone and



necessary directions are to be issued to respondent No.1 in this regard.

7. In the result, I pass the following:

ORDER

- i. The Writ Petition is **partly allowed**.
- ii. The impugned final Assessment Order at Annexure-V dated 09.07.2024 and consequent demand notices, all dated 09.07.2024 at Annexure-W, X1 and X2, respectively, issued by respondent No.1 are hereby quashed.
- iii. Respondent No.4 is directed to dispose of the rectification application submitted by the petitioner in accordance with law after providing sufficient and reasonable opportunity and hearing them in accordance with law.
- iv. It is further directed that on receipt of the order on the rectification application to be passed by respondent No.4 pursuant to the present order, respondent No.1 shall proceed further in accordance with law.

**Sd/-
(S.R.KRISHNA KUMAR)
JUDGE**