SNJ Breweries Pvt. Ltd. v. Principal Director of Income Tax and others

WA No.2709 of 2022 and connected appeals (complete list in original PDF pp.1-2)

Common judgment dated 10 July 2024 | 2024-07-10

Search safeguards, privacy and assessment jurisdiction: remand for fresh examination.

Income-tax Act, 1961: sections 132, 127, 153A, 153C, 281B, 143(2), 143(3), 292B

Division Bench | R. Mahadevan, Acting Chief Justice | Mohammed Shaffiq

01 FACTS OF THE CASE

A batch of appeals challenged the Single Judge's rejection of objections to searches of the SNJ group and associated persons, centralisation, notices under sections 153A and 153C, provisional attachments and assessment proceedings. The lead appeal, WA2709/2022, arose from WP19996/2020. The batch included WA996, WA999 and WA1000/2023, but the judgment does not supply their individual captions.

Source: PDF pp.1-8

02 DISCUSSION BY THE HON'BLE COURT

After examining the authorisation files, the Division Bench affirmed the existence of grounds for reasonable belief under section 132. It distinguished that conclusion from allegations about how the searches were conducted. Privacy, safeguards and the use of allegedly unlawfully obtained evidence required fuller examination; the Court expressly left those merits open. It also required fresh consideration of transfer objections and entity-specific and year-specific assessment jurisdiction.

Source: PDF p.20, para 4.10; pp.80-89, paras 4.66.2-5.10; pp.98-102

03 JUDICIAL DECISION

The Court set aside the Single Judge's order and remanded the matters for fresh consideration. Section 153A issues were to be reconsidered in light of Abhisar Buildwell; the parties could also address section 132(9A). Generalising section 153C satisfaction from one entity to twelve was rejected. Contentions on attachments and section 143 notices and assessments remained open. All writ appeals were disposed of without costs; connected miscellaneous petitions were closed.

Source: PDF pp.98-104, paras 6.7-10

04 OUTCOME / IN WHOSE FAVOUR

The appellants obtained reconsideration, not a final annulment of every search, notice or assessment. The authorisation finding in para 4.10 was affirmed, while disputed conduct, evidence and downstream jurisdiction issues were returned to the Single Judge. No tax computation or final liability was determined in this common judgment.

Source: PDF p.20, para 4.10; p.81, paras 4.67-4.68; p.104, para 10

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05 EXPERT COMMENTS

Section 132: the authorisation finding survived; search conduct was remanded — After inspecting the files, the Bench affirmed reasonable belief for authorising search in paragraph 4.10. Its later discussion addresses a different question: whether execution breached statutory safeguards or constitutional rights. Paragraphs 4.50 and 4.67-4.68 require reconsideration without deciding those merits. A challenge should therefore separate the recorded authorisation from evidence about the actual search, including medical records, timing, statements and panchnamas. The allegations recited from counsel are not established facts merely because the Single Judge's order was set aside. Nor does the remand itself invalidate every search. (Source: PDF p.20, para 4.10; pp.21-26; p.55, para 4.50; p.81, paras 4.67-4.68).

Privacy and seized evidence: an inquiry was directed, not a universal exclusion rule — The Bench considered the possible effect of Puttaswamy on the use of evidence obtained through an allegedly unlawful search, but expressly reserved the merits in paragraph 4.67. Paragraph 4.64 also distinguishes minor or technical infractions from breaches attracting Article 21. The decision cannot be presented as overruling Pooran Mal or excluding every seized document automatically. For the remand, identify the particular safeguard, the factual breach, the constitutional consequence and the evidence affected. This is distinct from simply disputing the relevance or weight of a document in assessment. (Source: PDF p.73, para 4.64; pp.79-81, paras 4.66-4.68).

Section 127: mandatory communication and the unresolved acquiescence question — The Court rejected the view that non-communication of transfer reasons was merely procedural, applying Ajantha Industries. It nevertheless required examination of acquiescence and the possible application of section 292B; it did not decide that every transfer in the batch was void. The relevant record is the actual transfer order, proof of communication, the assessee's objections and participation before the transferee officer. Distinguish those facts for each assessee instead of assuming that the lead appellant's procedural history answers every connected transfer challenge. (Source: PDF pp.83-89, paras 5.5-5.10).

Sections 153A and 153C: keep each entity and assessment year separate — The section 153A notice question was remanded for reconsideration in light of Abhisar Buildwell, with section 132(9A) arguments left open. The note should therefore distinguish the cited rule for completed assessments from the unresolved challenge to issuance of notices. For section 153C, paragraph 7.6 rejects using one entity's sample satisfaction note to dispose of twelve entities' objections. Prepare a matrix of entity, assessment year, assessment status, seized material and satisfaction record. Neither a common search nor one valid sample note establishes jurisdiction for all entities and all years. (Source: PDF pp.94-98, paras 6.5-6.8; pp.99-102, paras 7-7.6).

Operative relief, attachments and the common-judgment boundary — Paragraph 10 sets aside the Single Judge's order and remands the matters; paragraphs 8.1 and 9.1 permit renewed objections to attachments, notices and assessments. Those directions do not independently establish release of every asset, cancellation of every demand or the eventual result on remand. Check each operative order and subsequent proceedings before asserting protection. This publication preserves all 141 writ-appeal numbers in one common-judgment entry. The lead caption belongs to WA2709/2022; it is not an identity finding for every appellant, and the earlier Kaycee ancillary slip remains separate. (Source: PDF pp.1-3; pp.102-104, paras 8-10).

Source: PDF p.20, para 4.10; pp.21-26; p.55, para 4.50; p.81, paras 4.67-4.68; PDF p.73, para 4.64; pp.79-81, paras 4.66-4.68; PDF pp.83-89, paras 5.5-5.10; PDF pp.94-98, paras 6.5-6.8; pp.99-102, paras 7-7.6; PDF pp.1-3; pp.102-104, paras 8-10

SOURCE & VERIFICATION

Complete official Madras High Court common judgment

Complete official 106-page common judgment read in full and rendered; all pages checked in contact sheets. Individual lead caption is WA2709/2022. All 141 writ appeals are retained in the linked appendix.

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The earlier 28 April 2023 ancillary slip remains held; this later judgment does not replace it.

STATUTORY SCOPE

Provisions reported as considered in this judgment; current law not independently cleared.

LATER TREATMENT

Source checked 2026-10-23. Later appellate and remand outcomes not independently verified.

IDENTIFIED SOURCE LINKS

Complete connected-appeal appendix: all 141 writ appeals

AI DISCLOSURE

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