Devkant Synthetics India Pvt. Ltd. v. National Faceless Assessment Centre & Ors.

WP 2854/2022

WP 2854/2022 (High Court of Bombay, 2023-02-10) | 2023-02-10

Reassessment based on transactions already disclosed in scrutiny quashed for lack of jurisdiction.

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High Court of Bombay | Division Bench | Justice Dhiraj Singh Thakur | Justice Kamal Khata

Assessment years: 2013-14

Scope of this order

The assessee succeeded on reassessment jurisdiction; the judgment does not establish that every future information-system alert is legally irrelevant.

01 FACTS OF THE CASE

For AY 2013-14, the assessee had supplied demat details, Form 10 DB, scrip-wise material and reconciliation during scrutiny. Reopening later relied on transaction information alleged to be undisclosed. The earlier section 263 exercise concerned a limited section 14 A issue.

Source: PDF p. 5

02 DISCUSSION BY THE HON'BLE COURT

The Court found the relevant transaction material had been supplied and that Revenue did not deny the demat and reconciliation disclosures. Beyond four years, the asserted failure to disclose was contrary to that record; reopening also amounted to change of opinion.

Source: PDF p. 12

03 JUDICIAL DECISION

The impugned notice, reassessment order dated 26 March 2022 and consequential demand and penalty notices were quashed as without jurisdiction.

Source: PDF p. 13

04 OUTCOME / IN WHOSE FAVOUR

The assessee succeeded on reassessment jurisdiction; the judgment does not establish that every future information-system alert is legally irrelevant.

Source: PDF p. 13

05 EXPERT COMMENTS

Link each alleged omission to the original disclosure — The result rests on the actual demat and reconciliation record. An information-system entry does not establish non-disclosure where the underlying transaction was already furnished and examined.

Apply the old first proviso on its own facts — The beyond-four-year condition required failure to disclose fully and truly. The Court found that condition absent; the limited section 263 history did not supply the missing jurisdictional fact.

Do not conceal inconsistent source figures and dates — The opening gives a 31 March 2022 notice, while the detailed history gives 31 March 2021; the former conflicts with the 26 March 2022 assessment sequence. The source also gives differing assessed-income figures. No reconciled amount or additional notice is invented here.

Source: PDF p. 6

SOURCE & VERIFICATION

Primary High Court order - verified local repository copy

Complete 13-page source PDF; corrected note based on this document.

Complete source text and every original page visually reviewed; identity and SHA-256 checked. AI-assisted source analysis.

Open cited source rendition

All 13 physical source pages read and visually inspected. SHA-256: 6356744fb3d632c88ff7bdfd7f5ea20c312630ee0d07e48586148973621fe52a.

STATUTORY SCOPE

The judgment applies the pre-2021 reassessment framework to the impugned notice. It is not current-law clearance.

LATER TREATMENT

Source checked 2026-10-21. Subsequent judicial treatment has not been independently verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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