Deepbharti Welfare Society v. Income Tax Exemption Ward Thane & Ors.

WP 11418/2024

No neutral citation stated in supplied order | 2024-08-26

Faceless initiation defect results in quashing the reassessment and its consequential notices and orders.

Income-tax Act,1961: sections 147, 148, 148A(b), 148A(d), 151A, 144, 144B

High Court of Bombay | 2-judge bench (Division Bench) | G. S. Kulkarni | Somasekhar Sundaresan

Assessment years: 2015-16

01 FACTS OF THE CASE

Deepbharti Welfare Society challenged reopening for AY 2015-16. The JAO issued show-cause notices dated 15 and 25 March 2022 and the section 148A(d) order and section 148 notice dated 30 March 2022. The challenged chain also included an assessment dated 22 March 2023 under section 147 read with sections 144 and 144B.

Source: PDF pp.1–2, paragraphs 2–3; p.7, prayer (a)

02 DISCUSSION BY THE HON'BLE COURT

The Court applied Hexaware and Kairos to the section 151A scheme, treating issuance by the JAO instead of the FAO as vitiating initiation. Both sides accepted the applicability of the cited decisions; Nainraj Enterprises was also relied upon.

Source: PDF pp.5–6, paragraphs 5–8

03 JUDICIAL DECISION

The petition was allowed in terms of prayer (a): the two show-cause notices, the 30 March order and notice, the 22 March 2023 assessment and all consequential notices/orders were quashed.

Source: PDF pp.6–7, paragraph 9 and prayer (a)

04 OUTCOME / IN WHOSE FAVOUR

Rule was made absolute without costs. Other issues were expressly left unanswered because the section 151A ground disposed of the writ petition.

Source: PDF p.7, paragraphs 10–11

05 EXPERT COMMENTS

AKHB Expert Comments — editorial analysis, distinct from the Court's findings.

The completed assessment falls within express relief: Unlike a case concerning only a reopening notice, this prayer expressly included the 22 March 2023 assessment and consequential instruments. The Court adopted that prayer, so the operative effect reaches the assessment as well as the initiating documents; it is not merely interim restraint. (PDF p.7, paragraph 9 and prayer (a))

Do not infer a general retrospective rule: The printed show-cause dates precede the scheme's 29 March 2022 notification, while the order and section 148 notice follow it. The judgment grants relief on the cited authorities without separately analysing that temporal distinction. Its result should not be expanded into an unreasoned general holding on retrospective operation. (PDF p.2, paragraphs 3–4; pp.6–7, paragraphs 8–9)

Relief does not establish exemption entitlement: The petitioner is a welfare society and the respondent an exemption ward, but no exemption claim is decided in the reasons. The reserved other issues remain distinct from the successful jurisdictional objection; the judgment does not substantively approve the society's tax treatment. (PDF p.1, caption; p.7, paragraph 10)

Source: PDF p.7, paragraph 9 and prayer (a)

SOURCE & VERIFICATION

Original High Court judgment PDF — AKHB source repository

Complete 7-page original reviewed; source bytes verified.

Full original and all five panels re-reviewed on 21 October 2026.

Open cited source rendition

Complete original source and all five note panels checked; original docket identities preserved.

STATUTORY SCOPE

Current law and subsequent treatment not independently verified.

LATER TREATMENT

Source checked 2026-10-21. Subsequent proceedings and current judicial treatment have 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.

PROFESSIONAL DISCLAIMER

General research information only; not legal or tax advice, a certified judgment or a substitute for the full order. Applicability depends on facts, assessment year, statutory version and jurisdiction. Subsequent treatment is unverified unless identified sources are expressly stated. Downloading does not create a professional engagement. Obtain case-specific advice before reliance.