The Joint Commissioner of Income Tax Range-1, Bilaspur (C.G.) v. M/s Jindal Power Limited, Raigarh (C.G.)

TAXC No. 15 of 2025

2026:CGHC:41477-DB | TAXC No. 15 of 2025 (Chg HC, decided 24.09.2026) | 2026-09-24

Reopening under section 147 for AY 2009-10 on four issues (100% depreciation on dam, section 14A disallowance, section 32(1)(iia) additional depreciation of Rs. 377.81 crore on power generation, and Rs. 3.47 crore pre-production interest) quashed as a mere change of opinion where specific queries were raised under section 142(1) and answered during original scrutiny.

Income-tax Act, 1961: sections 14A, 32(1)(iia), 115JB, 142(1), 143(3), 147, 148, 151(1) and 260A

High Court of Chhattisgarh | 2-judge bench (Division Bench) | Parth Prateem Sahu, J. | Sachin Singh Rajput, J.

Assessment years: 2009-10

Internal wording must be read with the final holding

Paragraph 18 states that sufficient tangible material justified belief, but paragraphs 27–33 reject the reopening and paragraph 34 dismisses Revenue's appeal. This note follows the express final reasoning and disposition without silently altering paragraph 18.

01 FACTS OF THE CASE

Jindal Power returned income of Rs.95,29,85,465 for AY 2009-10. During original scrutiny, the 07.12.2011 section 142(1) notice specifically queried dam depreciation, additional depreciation, section 14A and pre-production income; the assessee replied before the 28.12.2011 assessment. The successor AO issued a section 148 notice on 05.07.2013. Recorded reasons challenged Rs.8,50,32,403 dam depreciation, Rs.11.53 crore under section 14A, Rs.377.81 crore additional depreciation and Rs.3.47 crore pre-production income. Reassessment on 13.02.2015 determined taxable income of Rs.238,90,05,000. After the CIT(A) sustained reassessment, the Tribunal on 25.06.2024 quashed it as a change of opinion. Revenue appealed.

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02 DISCUSSION BY THE HON'BLE COURT

Reviewing Supreme Court precedents from ITO v. Lakhmani Mewal Das, (1976) 3 SCC 757, Ganga Saran & Sons Pvt. Ltd. v. ITO, (1981) 3 SCC 143, and Phool Chand Bajrang Lal v. ITO, (1993) 4 SCC 77 to CIT v. Kelvinator of India Ltd., (2010) 2 SCC 723, ITO v. TechSpan India (P.) Ltd., (2018) 6 SCC 685, and Sanand Properties Pvt. Ltd. v. JCIT, 2026 SCC OnLine SC 851, the Division Bench held that where all four items were specifically queried in the notice dated 07.12.2011 under section 142(1) and examined during the original scrutiny assessment, initiating reassessment on the basis of the existing assessment record without any fresh tangible material amounted to an impermissible review based on a mere change of opinion. Further, the recorded reasons contained no allegation or satisfaction of any failure on the part of the assessee to disclose fully and truly all material facts.

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03 JUDICIAL DECISION

Affirming the ITAT Raipur Bench's order dated 25.06.2024 quashing the reassessment order dated 13.02.2015, the Chhattisgarh High Court dismissed TAXC No. 15 of 2025.

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04 OUTCOME / IN WHOSE FAVOUR

In favour of the assessee (M/s Jindal Power Limited); Revenue appeal TAXC No. 15 of 2025 dismissed.

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05 EXPERT COMMENTS

AKHB EXPERT COMMENTS — editorial analysis, distinct from the Court's findings.

Prove consideration, not merely presence in the file — The decisive finding was that all four subjects had been specifically queried and answered before a conscious allowance. Map each recorded reopening reason to the original query, reply and assessment treatment. Merely showing that a document existed in the file is weaker: the Sanand passage reproduced by the Court distinguishes material previously considered from material present but not considered.

Jurisdictional success does not settle deduction merits — The judgment preserves the quashing of reassessment; it does not independently establish a 100% dam-depreciation rate, additional-depreciation eligibility or the proper treatment of pre-production income. The figures and objections in paragraph 17 are recorded reopening reasons, not fresh merits findings approving or rejecting those claims.

Keep the statutory period and internal tension visible — This concerns the earlier section 147 framework and a 2013 notice. The Court's final analysis finds no undisclosed material or recorded failure of full disclosure. Its contrary sentence in paragraph 18 should not be isolated to reverse the stated result. Nor does discussion of the four-year proviso establish that this notice was issued beyond four years.

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SOURCE & VERIFICATION

Original judgment PDF (20260923_CGHC010444672024.pdf)

Reviewed from the complete 26-page official High Court judgment PDF (20260923_CGHC010444672024.pdf, SHA-256: f12bc96ab984ea0d3d186ecba47f22f41ae00bed2ae8b95c878ac54a22cc6b97).

All 26 original pages read and visually inspected; all five panels audited.

Open cited source rendition

PDF p.1 prints ITA No.200/RPF/2017. Paragraph 10 refers to section 143(1), while paragraph 27 expressly describes the original scrutiny as section 143(3). Decision date is 24.09.2026, not the filename prefix.

STATUTORY SCOPE

Refers to the Income-tax Act, 1961 and allied statutory rules/circulars as applicable to the relevant assessment years.

LATER TREATMENT

Source checked 2026-10-21. Subsequent 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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