M.K. Auto Clutch Co. v. Principal Commissioner of Income Tax-I and another

CWP 2088/2023

CWP 2088/2023 | 2023-06-14

Unconsidered timely reply invalidated reopening order

148A(b) | 148A(d) | 148

High Court of Himachal Pradesh | Shimla | M.S. Ramachandra Rao | Ajay Mohan Goel

Assessment years:

01 FACTS OF THE CASE

M.K. Auto Clutch challenged the 31 March 2023 section 148A(d) order. It had electronically replied on 24 March to the section 148A(b) notice of 18 March. The order incorrectly proceeded on the basis that no reply had been filed. Revenue admitted that the timely reply was not reflected on its portal until 25 March because of a technical error.

Source: PDF pp.1–2, paras2–4

02 DISCUSSION BY THE HON'BLE COURT

Revenue's admission established that the response was filed within time but had not been considered. On that admitted basis the Court held that the impugned order could not be sustained. It did not adjudicate the substantive grounds proposed for reopening.

Source: PDF p.2, paras4–5

03 JUDICIAL DECISION

The writ petition was allowed. Both the 31 March 2023 section 148A(d) order and consequential section 148 notice were quashed. The authority was directed to consider the 24 March reply, pass a reasoned order in accordance with law and communicate it to the petitioner.

Source: PDF pp.2–3, para6

04 OUTCOME / IN WHOSE FAVOUR

The assessee secured reconsideration after removal of the order and notice made without considering its timely response. Reopening was not permanently barred, and no finding on escaped income or tax quantum was made.

Source: PDF pp.2–3

05 EXPERT COMMENTS

Preserve proof of submission separately from portal visibility — The decisive fact was Revenue's admission of timely filing despite delayed portal reflection. Submission acknowledgments, timestamps and the precise response should therefore be retained when such a discrepancy arises. The judgment does not say that every alleged portal difficulty establishes filing; its relief rests on a proven and admitted response.

The opportunity to reply must lead to actual consideration — A show-cause process was held ineffective here because the decision treated an existing response as absent. The remedial direction requires consideration of that response and a reasoned order communicated to the assessee. It is not enough to reproduce the prior conclusion without addressing the material already filed.

Quashing the first decision leaves reconsideration open — The order removes both the section 148A(d) decision and its consequential notice but expressly sends the matter back for a lawful decision. Advising that the assessment issue is finally extinguished would ignore that direction. The original source gives no assessment year or specific allegation of escaped income; neither is supplied editorially.

Source: Editorial analysis; source references in the structured comments

SOURCE & VERIFICATION

Himachal Pradesh High Court order; verified source copy

Complete source PDF reviewed: 3 physical pages.

All 3 original pages read and visually inspected; source hash verified. AI-assisted substantive correction.

Open cited source rendition

Source bytes and identity checked; see panel-specific references and disclosed source anomalies.

STATUTORY SCOPE

Sections and disposition are recorded only to the extent stated in this source order.

LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment not 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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