

Jalandhar Sharma v. Income Tax Officer, Keonjhar Ward, Keonjhar & Others

W.P.(C) No. 15935 of 2024

W.P.(C) No. 15935 of 2024 (Ori HC, decided 19.02.2026) | 2026-02-19

Faceless reassessment order under section 147 r/w section 144B raising Rs. 1,03,57,050 demand on alleged bogus purchases quashed where paragraph 3.5 falsely recorded that the assessee filed no reply despite uploaded replies and documents on record.

Income-tax Act, 1961: sections 144B, 147, 148 and 156 | Constitution of India: Article 226

High Court of Orissa | 2-judge bench (Division Bench) | Harish Tandon, C.J. | M.S. Raman, J.

Assessment years: 2019-20

Fresh order to be passed within 2 months of communication

The proceedings stand restored to the stage of considering the petitioner's uploaded replies and documents (Annexure-3 series), with a two-month timeline for fresh disposal.

01 FACTS OF THE CASE

For AY 2019-20, the petitioner's assessment was reopened under section 147 on the allegation of bogus purchases. In response to notices issued during the faceless reassessment proceedings, the petitioner uploaded replies along with supporting documentary evidence on the portal (annexed as the Annexure-3 series to the writ petition). However, on 29.02.2024, the Assessment Unit passed the final reassessment order under section 147 read with section 144B raising a demand of Rs. 1,03,57,050 while stating in paragraph 3.5 that the assessee had failed to furnish any reply or documentary evidence.

Source: [Pages 1-4 of 7 \(Paragraphs 1-4\) \(20260219_ODHC010439272024.pdf\)](#)

02 DISCUSSION BY THE HON'BLE COURT

Examining the Annexure-3 series acknowledgments alongside paragraph 3.5 of the impugned assessment order dated 29.02.2024, the Division Bench found a manifest contradiction on the face of the record: the Assessing Officer had proceeded on the erroneous premise of non-compliance while completely ignoring the replies and documents already uploaded by the petitioner. Relying on *Tin Box Company v. CIT*, (2001) 249 ITR 216 (SC) and *CIT v. Chhabil Dass Agrawal*, (2014) 1 SCC 603, the Court held that passing an assessment order in oblivion of the assessee's on-record reply violates fundamental principles of natural justice and justifies writ interference despite the availability of an appellate remedy.

Source: [Pages 4-6 of 7 \(Paragraphs 5-8\) \(20260219_ODHC010439272024.pdf\)](#)

03 JUDICIAL DECISION

The High Court quashed the reassessment order dated 29.02.2024 passed under section 147 read with section 144B and the consequential demand notice for AY 2019-20, and remitted the matter to the Assessing Officer to pass a fresh reasoned order within two months after considering the petitioner's replies and granting an opportunity of hearing.

Source: [Pages 6-7 of 7 \(Paragraphs 9-10\) \(20260219_ODHC010439272024.pdf\)](#)

04 OUTCOME / IN WHOSE FAVOUR

Matter remanded; reassessment order dated 29.02.2024 and Rs. 1,03,57,050 demand quashed with direction for fresh adjudication within 2 months.

Source: [Pages 6-7 of 7 \(Paragraphs 9-10\) \(20260219_ODHC010439272024.pdf\)](#)

05 AKHB REVIEW POINT

AKHB analysis: Where a faceless assessment order recites 'no reply filed' (here in para 3.5) contrary to portal e-Filing acknowledgments showing uploaded replies and annexures, the High Court will exercise writ jurisdiction under the natural-justice exception in Chhabil Dass Agrawal and Tin Box Co.

Source: [Full judgment PDF \(7 pp.\)](#)

SOURCE & VERIFICATION

[Original judgment PDF \(20260219_ODHC010439272024.pdf\)](#)

Reviewed from the complete 7-page official High Court judgment PDF (20260219_ODHC010439272024.pdf, SHA-256: 4c388ec97e36e46040b0290b4e13096054c74054d80568776bcf2bdb38a71718).

Supplied source-reviewed note retained; original bytes and identity validation checked in this release. Substantive re-review is not claimed for this record.

Open cited source rendition

Primary source verified page-by-page (7 physical pages, 218,566 bytes, SHA-256: 4c388ec97e36e46040b0290b4e13096054c74054d80568776bcf2bdb38a71718). Cloud Google Drive File ID: 1Valn8D3fQG-s2W9jt_u1zrhuVLEo1uMk (https://drive.google.com/file/d/1Valn8D3fQG-s2W9jt_u1zrhuVLEo1uMk/view).

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 2026-10-18. No subsequent Supreme Court reversal or stay is recorded in the source judgment text.

AI DISCLOSURE

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