Parmeshwar Trading Co. Shingala vs National Faceless Assessment Centre

[Cites 11, Cited by 0] Gujarat High Court Parmeshwar Trading Co. Shingala ... vs National Faceless Assessment Centre on 20 January, 2026 Author: A.S. Supehia Bench: A.S. Supehia NEUTRAL CITATION C/SCA/10085/2023 JUDGMENT DATED: 20/01/2026 undefined IN THE HIGH COURT OF GUJARAT AT AHMEDABAD R/SPECIAL CIVIL APPLICATION NO. 10085 of 2023 FOR APPROVAL AND SIGNATURE: HONOURABLE MR. JUSTICE A.S. SUPEHIA and HONOURABLE MR. JUSTICE PRANAV TRIVEDI == Approved for Reporting No Yes ✔ == PARMESHWAR TRADING CO. SHINGALA PRAVINBHAI HARDASBHAI Versus NATIONAL FACELESS ASSESSMENT CENTRE & ANR. == Appearance: DARSHAN R PATEL(8486) for the Petitioner(s) No. 1 NOTICE SERVED for the Respondent(s) No. 2 NOTICE UNSERVED for the Respondent(s) No. 1 == CORAM:HONOURABLE MR. JUSTICE A.S. SUPEHIA and HONOURABLE MR. JUSTICE PRANAV TRIVEDI Date : 20/01/2026 ORAL JUDGMENT (PER : HONOURABLE MR. JUSTICE PRANAV TRIVEDI)

1. Heard learned advocate Mr. Darshan Patel for the petitioner and learned Senior Standing Counsel Mr. Karan Sanghani for the respondents.

2. Having regard to the controversy arising in the petition which is in narrow compass, with the consent of the learned advocates for the respective parties, the matter is taken up for hearing.

3. Rule returnable forthwith. Learned Senior Standing Counsel Mr. Karan Sanghani waives service of notice of rule on behalf of the respondents. Page 1 of 5 Uploaded by PHALGUNI PATEL(HC00175) on Fri Jan 30 2026 Downloaded on : Sun Jun 14 20:34:13 IST 2026 NEUTRAL CITATION C/SCA/10085/2023 JUDGMENT DATED: 20/01/2026 undefined

4. By way of the present petition under Articles 226 and 227 of the Constitution of India, the petitioner seeks following reliefs: "(A) Issue a writ of certiorari and/or a writ of mandamus and/or any other writ direction or order to quash and set aside the impugned Assessment Order under Section 147 read with Sections 144 and 144B of the Income Tax Act, 1961 dated 26.05.2023, annexed hereto at Annexure-'E'. (B) Pending admission, hearing and final disposal of this petition, ad- interim relief be granted and the respondent be ordered to restrain from enforcing compliance of the impugned Assessment Order under Section 147 read with Sections 144 and 144B of the Income Tax Act, 1961 and the Demand Notice under Section 156 dated 26.05.2023, annexed hereto Annexure-'E'."

5. The brief facts leading to filing of the present writ petition are as under: 5.1 The petitioner is a partnership firm and is registered under the provision of Partnership Act and the petitioner is regularly assessed to tax under the Income Tax Act, 1961 (hereinafter referred to as "the Act"). The petitioner filed its return of income under Section 139(1) of the Act for the Assessment Year 2013-14 on 23.09.2013. 5.2 Subsequent to the filing of the return under the provisions of the Act, the case of the petitioner was selected for reassessment under the provisions of Section 148 of the Act. The petitioner received a copy of the notice issued under Section 148 of the Act on 27.07.2022. It is the case of the petitioner that during the course of reassessment proceedings, the petitioner received a show cause notice requiring the petitioner to furnish the reply by 22.05.2023. In response to the notice, the petitioner filed its reply on 21.05.2023. However, without considering the request of the petitioner through video conference, the respondents passed final Assessment Order on 26.05.2023 under Section 147 read with Sections 144 and 144B of the Act. Being aggrieved by the said order, the petitioner has filed the present writ petition. Page 2 of 5 Uploaded by PHALGUNI PATEL(HC00175) on Fri Jan 30 2026 Downloaded on : Sun Jun 14 20:34:13 IST 2026 NEUTRAL CITATION C/SCA/10085/2023 JUDGMENT DATED: 20/01/2026 undefined

6. It has been submitted by learned advocate Mr. Darshan Patel for the petitioner that the impugned Assessment Order passed by the respondent for the year under consideration is patently bad, illegal and contrary to law, inasmuch as, it is passed in gross violation of the principles of natural justice without providing any effective opportunity of personal hearing through video conferencing. 6.1 It was further submitted that the very idea behind conducting the video conferencing is to ensure that an assessee gets an opportunity to explain the case to the authority concerned. If the petitioner was not at all afforded an opportunity to represent the case through video conferencing, though a categorical request was made, it amounts to clear-cut breach of principles of natural justice. No opportunity was provided to the petitioner to show-cause as to why addition of income should not be made in his case. 6.2. It was further submitted that there was sufficient time with the respondent for framing assessment before the limitation for assessment would expire. In such a situation, the respondent ought not to have shown any undue haste in framing the assessment for the year under consideration. In view of such submissions, learned advocate Mr. Darshan Patel prayed for quashing of the impugned Assessment Order.

7. Per contra, learned Senior Standing Counsel Mr. Karan Sanghani, was not in a position to dispute the factual aspect that the opportunity of personal hearing through video conferencing was not granted to the petitioner. In view of the same, learned Senior Standing Counsel Mr. Sanghani submitted that appropriate orders may be passed.

8. Having heard learned advocates for the respective parties and perused the material on record, the limited question for consideration is Page 3 of 5 Uploaded by PHALGUNI PATEL(HC00175) on Fri Jan 30 2026 Downloaded on : Sun Jun 14 20:34:13 IST 2026 NEUTRAL CITATION C/SCA/10085/2023 JUDGMENT DATED: 20/01/2026 undefined with regard to procedure of service of notice under the Faceless Assessment provisions under Section 144 B of the Act. The Government of India, Ministry of Finance has come up with Standard Operating Procedure (for short SOP) dated 03.08.2022 under Faceless Assessment Provisions under Sec.144B of the I.T Act. Clause G.3 of the SOP of Assessment relates to the Centralised Communication to improve compliance of notice under Section 142(1) of the Act. The procedure referred in G.3 is reproduced as under: "G.3 Centralized Communication to Improve compliance of notice under section 142(1) G.3.1 In all cases where assessee is not responsive to the notice under section 142(1), on directions of NaFAC, Insight shall: G.3.1.1 Prepare centralized communication, as per format, about non- responsiveness; G.3.1.2 Send physical letter at the latest known address

through Speed Post; and G.3.1.3 Send SMS about non- responsiveness, on the latest available mobile number of the assessee. G.3.2 All attributes of the communication, including PAN, AY, address at which the letter is sent, speed post tracking ID, date on which letter is sent, mobile number on which SMS is sent along with the date and time of sending, will be updated in the database accessible to AU on Insight; G.3.3 To ensure completeness of record, the AU shall enter all the detalls referred In Para G.3.2 above, along with the date of delivery, If any, of the Speed Post letter in the Case History."

9. On bare perusal of the SOP, it can be interpreted that if the assessee is not granted mandatory requirement of video conference for personal hearing, it would amount to breach of principles of natural justice. Even if the petitioner had not responded to the show-cause notice, the department could have written physical communication to the petitioner at the latest address known through speed-post. However, in the instant case, the petitioner had responded and categorically had demanded for personal hearing through video conferencing which was not granted by the respondent. Therefore, the authorities have failed to follow the mandatory requirement of the Standard Operating Procedure, and resultantly, the impugned Assessment Order dated 26.05.2023 as well as the demand notice dated 26.05.2023 would not stand at all.

10. Resultantly, the impugned Assessment Order dated 26.05.2023 as well as the demand notice dated 26.05.2023 are hereby quashed and set aside and the matter is remanded back to the National Faceless Assessment Authority to comply with the SOP and pass a fresh order after following the due procedure of law within a period of twelve weeks from the date of receipt of the order. The writ petition stands allowed to the aforesaid extent with no order as to costs. (A. S. SUPEHIA, J) (PRANAV TRIVEDI,J) phalguni/5