

Bax India Ventures Private Limited vs Central Processing Centre

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[Cites 12, Cited by 0] Bombay High Court Bax India Ventures Private Limited vs Central Processing Centre on 2 February, 2026 Author: B. P. Colabawalla Bench: B. P. Colabawalla sr. 50-wp(l)-43004-2025.doc IN THE HIGH COURT OF JUDICATURE AT BOMBAY TRUSHA TUSHAR ORDINARY ORIGINAL CIVIL JURISDICTION MOHITE Digitally signed by TRUSHA TUSHAR MOHITE Date: 2026.02.05 12:28:24 +0530 WRIT PETITION (L) NO. 43004 OF 2025 Bax India Ventures Pvt. Ltd. .. Applicant. Versus Central Processing Centre & Ors. .. Respondents Mr. P. J. Pardiwalla, Senior Advocate a/w Adv. Jeet Kamdar, i/b Adv. Atul K. Jasani for the Petitioner. Adv. Vikas T. Khanchandani for the Respondents. CORAM: B. P. COLABAWALLA & FIRDOSH P. POONIWALLA, JJ. DATE: FEBRUARY 2, 2026 P. C.

1. The above Writ Petition has been filed seeking to quash the intimation dated 1st December, 2025 ('Exhibit H' to the Petition) issued under Section 143 (1)(a) of the Income Tax Act, 1961 (in short "IT Act"). The short ground on which the aforesaid intimation is challenged is that it does not comply with the provisions of Section 143(1)(a).

2. It is the case of the Petitioner that before any adjustment is made, as more particularly stipulated in Section 143(1)(a), an intimation is to Page 1 of 9 FEBRUARY 2, 2026 Mansi shelke ::: Uploaded on - 05/02/2026 ::: Downloaded on - 06/02/2026 22:10:54 ::: sr. 50-wp(l)-43004-2025.doc be given to the assessee of such adjustment either in writing or in electronic mode and also the response received from the assessee, if any, has to be considered before making any adjustment. In case no response is received from the assessee within 30 days of the issue of such intimation, adjustments can be made under Section 143(1)(a).

3. According to the Petitioner, in the facts of the present case, admittedly no such intimation was given prior to making the adjustment. Once this is the case, the intimation order passed under Section 143(1)(a) is unsustainable and has to be set aside. It is on this short ground that the Petitioner assails the intimation order dated 1 st December, 2025 issued under Section 143(1)(a).

4. The Revenue has filed its Affidavit-in-Reply in which it is inter alia contended that in the facts of the present case, the assessee had claimed the benefit of Section 115BAA of the IT Act. To avail the benefits of this Section, it was mandatory for the assessee to file Form 10-IC by the due date of filing of the Return of Income under Section 139(1) of the IT Act. Admittedly, the Return was filed by the assessee belatedly on 28 th March, 2025, under Section 139(8A), along with Form 10-IC. Since Form 10-IC was Page 2 of 9 FEBRUARY 2, 2026 Mansi shelke ::: Uploaded on - 05/02/2026 ::: Downloaded on - 06/02/2026 22:10:54 ::: sr. 50-wp(l)-43004-2025.doc not filed by the due date as contemplated under Section 139(1) of the IT Act, the adjustment was made by the CPC under Section 143(1)(a).

5. According to the Revenue, once this is the case, there is no provision prescribed in Section 115BAA to provide an opportunity to the assessee if the prescribed Form 10-IC is not filed. An opportunity is required to be provided to the assessee only where prima-facie adjustment is made to the total income or loss declared while processing the Return of Income as specified in the first proviso to Section 143(1)(a). In this case, not allowing the beneficial tax rate prescribed under Section 115BAA, does not fall under the provisions of Section 143(1)(a), because no addition is made to the total income declared. Consequently, no opportunity needs to be provided to the tax payer as contemplated under the first and second proviso of Section 143(1)(a). In other words, it was submitted that even if an opportunity was provided to the assessee, since it had failed to file the Return along with Form 10-IC by the due date as mentioned under Section 139(1), no alternative was left for the Department but to levy tax at the normal rate. Hence, according to the Department, in the facts of the present case, issuing any intimation to the assessee prior to passing an intimation order under Section 143(1)(a) would be an exercise in futility. Consequently, it was submitted that there is no merit in the Writ Petition and the same be dismissed. Page 3 of 9 FEBRUARY 2, 2026 Mansi shelke ::: Uploaded on - 05/02/2026 ::: Downloaded on - 06/02/2026 22:10:54 ::: sr. 50-wp(l)-43004-2025.doc

6. We have heard Mr. Pardiwalla, the learned Senior Counsel appearing on behalf of the Petitioner, as well as the learned Advocate appearing on behalf of the Revenue.

7. Section 143, in so far as is relevant for our purposes, reads as under : "Assessment

143. (1) Where a return has been made under section 139, or in response to a notice under sub-section (1) of section 142, such return shall be processed in the following manner, namely:- (a) the total income or loss shall be computed after making the following adjustments, namely:- (i) any arithmetical error in the return; (ii) an incorrect claim, if such incorrect claim is apparent from any information in the return; (iia) any such inconsistency in the return, with respect to the information in the return of any preceding previous year, as may be prescribed; (■) disallowance of loss claimed, if return of the previous year for which set off of loss is claimed was furnished beyond the due date specified under sub-section (1) of section 139; (iv) disallowance of expenditure [or increase in income] indicated in the audit report but not taken into account in computing the total income in the return; (v) disallowance of deduction claimed under [section 10AA Page 4 of 9 FEBRUARY 2, 2026 Mansi shelke ::: Uploaded on - 05/02/2026 ::: Downloaded on - 06/02/2026 22:10:54 ::: sr. 50-wp(l)-43004-2025.doc or under any of the provisions of Chapter VI-A under the heading "C-Deductions in respect of certain incomes" if] the return is furnished beyond the due date specified under sub-section (1) of section 139; or (vi) addition of income appearing in Form 26AS or Form 16A or Form 16 which has not been included in computing the total income in the return: Provided that no such adjustments shall be made unless an intimation is given to the assessee of such adjustments either in writing or in electronic mode: Provided further that the response received from the assessee, if any, shall be considered before making any adjustment, and in a case where no response is received within thirty days of the issue of such intimation, such adjustments shall be made: Provided also that no adjustment shall be made under sub- clause (vi) in relation to a return furnished for the assessment year commencing on or after the 1st day of April, 2018;"

8. As can be seen from the aforesaid reproduction, it is mandated by the legislature that, before any adjustment is made under Section 143(1) (a), an intimation is to be given to the assessee of such adjustment, either in writing or in electronic mode. This is clearly stipulated by the first proviso to Section 143(1)(a). The second proviso to Section 143(1)(a) further stipulates that the response received from the assessee, if any, to any intimation issued under the first proviso, has to be considered before making any adjustment. Page 5 of 9 FEBRUARY 2, 2026 Mansi shelke ::: Uploaded on - 05/02/2026 ::: Downloaded on - 06/02/2026 22:10:54 ::: sr. 50-wp(l)-43004-2025.doc In

a case where no response is received from the assessee within 30 days, then such adjustment can be made by the Department.

9. In the facts of the present case, admittedly, no intimation was given to the assessee as contemplated in the first proviso to Section 143 (1) (a). The first proviso, in our opinion, is clearly mandatory in nature, as it clearly stipulates that no adjustment 'shall be made' unless an intimation is given to the assessee of such adjustment either in writing or in electronic mode. Once this is a mandatory provision, no intimation order under Section 143(1)(a) can be passed, making any adjustment in the Return of Income filed by the assessee, unless such proposed adjustment is first intimated to the assessee and he has been given a chance to respond thereto.

10. As mentioned earlier, in the facts of the present case, no intimation as contemplated under the first proviso to Section 143(1)(a) was ever issued to the Petitioner. This is an undisputed fact. On this ground alone, the intimation order dated 1 st December, 2025, issued under Section 143(1)(a), is liable to be quashed and set aside. We are unable to agree with the submission of the learned Advocate appearing on behalf of the Revenue that this exercise would be an exercise in futility because in the facts of the present case, admittedly, Form 10-IC was not filed by the due date. There Page 6 of 9 FEBRUARY 2, 2026 Mansi shelke ::: Uploaded on - 05/02/2026 ::: Downloaded on - 06/02/2026 22:10:54 ::: sr. 50-wp(l)-43004-2025.doc could very well be a case where, after belatedly filing a return and belatedly filing Form 10-IC, and before the intimation order is passed under Section 143 (1)(a), the Petitioner could have obtained an order seeking condonation of delay in filing form 10-IC under Section 119(2)(b) of the IT Act. This could possibly be the response that the assessee may give to the CPC in respect of the notice issued under the first proviso to Section 143(1)(a) and contend that the proposed adjustment ought not to be made. It is therefore incorrect to suggest that the intimation proposing an adjustment, as contemplated under the first proviso to Section 143(1)(a), would be an exercise in futility. Once we find that the said provision is mandatory in nature, the same has to be complied with by the Revenue. The Revenue cannot decide in which case it would be futile and in which case it would not.

11. In the conclusion we have reached, we find support from our Judgement in Rallis India Limited Vs. Central Processing Centre [Writ Petition (L) No. 37314 of 2025]. Paragraph 11 of the said Judgement is relevant and reads as under : "11. It is apparent from a perusal of the above reproduction that the first and second proviso to Section 143(1) of the IT Act specifically provides that no adjustment shall be made unless an assessee is given an intimation of the adjustment either in writing or in electronic mode and the response received from the assessee must be considered before making any such adjustment. Page 7 of 9 FEBRUARY 2, 2026 Mansi shelke ::: Uploaded on - 05/02/2026 ::: Downloaded on - 06/02/2026 22:10:54 ::: sr. 50-wp(l)-43004-2025.doc In the present case, admittedly the Petitioner has not been given any intimation of the ICDS adjustment before passing the impugned intimation. The proposed adjustment under Section 143(1)(a) of the IT Act on 14 December 2022 did not raise any issue with regard to the ICDS adjustment of Rs. 1284,66,97,880/-, and no opportunity of being heard was granted to the Petitioner on this issue before the intimation was passed. This is, therefore, a clear breach of the principles of natural justice, and in any event in contravention of the jurisdictional requirements laid down in the first and second proviso to Section 143(1) of the IT Act. Further, the department in their Affidavit-in-reply have accepted the fact that no notice for the proposed adjustment was issued on the ICDS adjustment. Hence, on this ground alone the adjustment made in the intimation in respect of the ICDS adjustment of Rs. 1284,66,97,880/- is liable to be quashed and set aside."

12. In view of this foregoing discussion, the Petition succeeds and is allowed in terms of prayer clause (a) which read thus : "(a) that this Hon'ble Court be pleased to issue a Writ of Certiorari or any other writ order or direction under Article 226 of the Constitution of India calling for the records of the case leading to passing of the impugned intimation order and after going through the same and examining the question of legality thereof quash, cancel and set aside the additions in the impugned intimation order dated December 1, 2025 (Exhibit-H):" Page 8 of 9 FEBRUARY 2, 2026 Mansi shelke ::: Uploaded on - 05/02/2026 ::: Downloaded on - 06/02/2026 22:10:54 ::: sr. 50-wp(l)-43004-2025.doc

13. Rule is made absolute in the aforesaid terms, and the Writ Petition is also disposed of in terms thereof. However, there shall be no order as to costs.

14. We may hasten to add that the Revenue is free to now issue a notice to the assessee as contemplated under the first proviso to Section 143(1)(a) as well as take the response of the Petitioner, if any, into the consideration, and only thereafter pass a fresh intimation order as contemplated under Section 143(1)(a).

15. Mr. Pardiwalla, the learned Senior Counsel appearing on behalf of the Petitioner, stated that, in light of this Order, the Petitioner undertakes to withdraw the Appeal filed by the Petitioner against the intimation order dated 1st December, 2025 before the CIT (Appeals). He states that the said Appeal shall be withdrawn within a period of two weeks from today. The said statement is accepted as an undertaking given to the Court.

16. This order will be digitally signed by the Private Secretary/ Personal Assistant of this Court. All concerned will act on production by fax or email of a digitally signed copy of this order. [FIRDOSH P. POONIWALLA, J.] [B. P. COLABAWALLA, J.] Page 9 of 9 FEBRUARY 2, 2026 Mansi shelke ::: Uploaded on - 05/02/2026 ::: Downloaded on - 06/02/2026 22:10:54 :::