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W.A.No.1925 of 2026

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 16.07.2026

CORAM :

THE HONOURABLE MR. SUSHRUT ARVIND DHARMADHIKARI,
CHIEF JUSTICE

AND

THE HONOURABLE MR.JUSTICE G.ARUL MURUGAN

W.A.No.1925 of 2026
and C.M.P.No.17129 of 2026

Shanmugha Arts, Science Technology and
Research Academy
Rep. by its Trustee and Vice-Chancellor
S.Vaidhyasubramaniam,
SASTRA No.5, Dr. Subbaraya Nagar
Main Road, Kodambakkam,
Chennai - 600 024.

Appellant(s)

Vs

1. ACIT (Exemptions,)
Aayakar Bhawan-Annexe Building,
No.121, Mahatma Gandhi Road,
Nungambakkam, Chennai - 600 024.
2. Assessment Unit
Income-tax Department,
National Faceless Assessment Centre,
Ministry of Finance, Government of India,
Delhi.
3. The Commissioner of Income Tax Audit
206, II Floor, Annexe Building,
Aayakar Bhavan, 121 M.G.Road,
Nungambakkam, Chennai - 600 034.



W.A.No.1925 of 2026

4. The Principle Chief Commissioner of Income Tax
Main Building, Aaykar Bhavan, 121 M.G.Road,
Nungambakkam, Chennai - 600 034.

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Respondent(s)

PRAYER: Appeal filed under Clause 15 of the Letters Patent to set aside the order dated 03.06.2026 passed by the learned Single Judge in W.P.No.29752 of 2023.

For Appellant(s): Mr. Shankaranarayanan
Senior Counsel
for M/s.G.Vardini Karthik

For Respondent(s): Mr.N.Venkataraman
Additional Solicitor General
(Thru Video Conferencing)
Assisted by Mr.V.J.Arul Raj
Senior Standing Counsel

JUDGMENT

(Delivered by the Hon'ble Chief Justice)

This appeal is directed against the order dated 3.6.2026, passed by the learned Single Judge in W.P.No.29752 of 2023. By the impugned order, the learned Single Judge dismissed the appellant's challenge to the reassessment notices and the consequential order issued under the Income Tax Act, 1961, holding



W.A.No.1925 of 2026

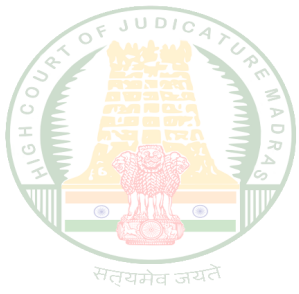
that the proceedings were initiated within the period of limitation.

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2. The issue raised before us is whether the reassessment notices issued to the appellant for the Assessment Year 2015-2016 are barred by time.

3. At the threshold, learned Additional Solicitor General submitted that the statutory boundary lines for reopening past assessments were comprehensively examined by the Supreme Court in *Union of India v. Rajeev Bansal*¹. He drew our attention to paragraph 19(f) of the decision in *Rajeev Bansal* (supra), wherein the Supreme Court explicitly recorded the stance of the Revenue regarding the specific timeline applicable to the Assessment Year 2015-2016. It was acknowledged that for the Assessment Year 2015-2016, any notice issued on or after 1.4.2021 must be dropped, as such actions would not fall for completion during the period prescribed under the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 (TOLA).

¹ 2024 SCC Online SC 2693

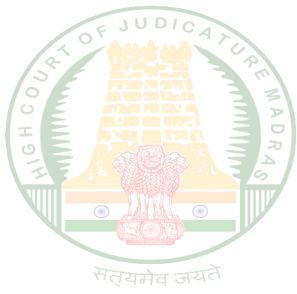


W.A.No.1925 of 2026

4. Learned Additional Solicitor General fairly conceded that the controversy in the present appeal is squarely governed by the aforesaid decision of the Supreme Court. It is admitted that since the underlying dispute relates to the Assessment Year 2015-2016 and all notices were issued after 1.4.2021, the same will not survive the test of limitation and must be dropped.

5. In the present case, the first notice was issued on 12.4.2021, and the subsequent notice under Section 148A(b) of the Act was issued on 31.3.2022, culminating in the order dated 2.5.2022. Since all these steps pertaining to the Assessment Year 2015-2016 were taken well after the cut-off date of 1.4.2021, the entire reassessment exercise is clearly out of time and completely unsustainable in law.

6. As a sequel, the appeal is allowed. The impugned order passed by the learned Single Judge dated 3.6.2026 is set aside. The notices dated 12.4.2021 and 31.3.2022 as well as the order dated 2.5.2022 are hereby quashed.



W.A.No.1925 of 2026

WEB COPY

There shall be no order as to costs. Connected interim application stands closed.

(SUSHRUT ARVIND DHARMADHIKARI, CJ) (G.ARUL MURUGAN,J)
16.07.2026

Index : Yes/No
Neutral Citation : Yes/No
sasi

To:

1. ACIT (Exemptions,) Aayakar Bhawan-Annexe Building, No.121, Mahatma Gandhi Road, Nungambakkam, Chennai - 600 024.
2. Assessment Unit Income-tax Department, National Faceless Assessment Centre, Ministry of Finance, Government of India, Delhi.
3. The Commissioner of Income Tax Audit 206, II Floor, Annexe Building, Aayakar Bhavan, 121 M.G.Road, Nungambakkam, Chennai - 600 034.
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WEB COPY



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THE HON'BLE CHIEF JUSTICE
AND
G.ARUL MURUGAN,J.

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