

आयकर अपीलिय अधिकरण, 'सी' न्यायपीठ, चेन्नई।
**IN THE INCOME TAX APPELLATE TRIBUNAL
'C' BENCH: CHENNAI**

श्री एबी टी. वर्की, न्यायिक सदस्य एवं
श्री मनोज कुमार अग्रवाल, लेखा सदस्य के समक्ष

**BEFORE SHRI ABY T. VARKEY, JUDICIAL MEMBER AND
SHRI MANOJ KUMAR AGGARWAL, ACCOUNTANT MEMBER**

आयकर अपील सं./ITA Nos.1170 & 1171/Chny/2024
निर्धारण वर्ष/Assessment Year: 2016-17

M/s. IDFC First Bank Ltd., [earlier known as IDFC Bank Ltd.], KRM Tower, 7 th Floor, No.1, Harrington Road, Chetpet, Chennai.	v.	The PCIT / ACIT, Corporate Circle-1(1), Chennai.
[PAN: AADCI 6523 Q]		
(अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)
अपीलार्थी की ओर से/ Appellant by	:	Mr. Percy Pardiwalla, Sr. Adv. Mr. S.P. Chidambaram, Adv.
प्रत्यर्थी की ओर से /Respondent by	:	Mr. R. Clement Ramesh – Kumar, CIT
सुनवाईकीतारीख/Date of Hearing	:	01.08.2024
घोषणाकीतारीख /Date of Pronouncement	:	09.10.2024

आदेश / ORDER

PER ABY T. VARKEY, JM:

ITA No.1171/Chny/2024 is an appeal preferred by the assessee against the order of the Learned Commissioner of Income Tax (Appeals)/NFAC, (hereinafter in short "the Ld.CIT(A)"), Delhi, dated 27.02.2024 for the Assessment Year (hereinafter in short "AY") 2016-17 confirming the re-opening of assessment u/s.147 of the Income Tax Act, 1961 (hereinafter in short "the Act"); and consequent re-assessment order passed by the AO dated 31.03.2022 and ITA No.1170/Chny/2024 is



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an appeal preferred by the assessee against the action of the Ld.PCIT, Chennai-1, dated 31.03.2024 for AY 2016-17, wherein, he has interfered by exercising his power u/s.263 of the Act in respect of the re-assessment order passed by the AO dated 31.03.2022.

2. Both the parties agreed that first we should take up ITA No.1171/Chny/2024 i.e. the re-assessment order passed by the AO dated 31.03.2022 u/s.147/143(3) of the Act for AY 2016-17.

3. At the outset, the Ld. Sr. Counsel for the assessee, Shri Percy Pardiwalla submitted that assessee is challenging, *inter alia*, re-opening/re-assessment for AY 2016-17 on the legal issue/ground that the AO failed to abide by the binding directions given by the Hon'ble Supreme Court in the case of M/s. GKN Driveshafts (India) Ltd., v. ITO reported in [2003] 259 ITR 19 (SC). According to the Ld. Sr. Counsel, the Hon'ble Supreme Court in M/s. GKN Driveshafts (India) Ltd. (supra) has laid down the mandatory Rule to be followed by the Assessing Officer [AO] that after a notice u/s.148 of the Act has been issued by him, the assessee needs to file a return pursuant to such a notice; and if the assessee seek reason for issuing such notice, the AO is bound to furnish *reasons for reopening the assessment*, within a reasonable time; and on receipt of reasons, the assessee is entitled to file objections [against issuance of re-opening notice] and in that event, the AO is bound to dispose off the



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same (objections) by passing a speaking order before proceeding with the re-assessment in respect of assessee's case by holding as under:-

Heard learned counsel for the parties. Leave is granted.

By the order under challenge, a Division Bench of the High Court at Delhi dismissed the writ petition filed by the appellant challenging the validity of notices issued under Sections 148 and 143(2) of the Income Tax Act, 1961. The High Court took the view that the appellant could have taken all the objections in its reply to the notices and that, at that stage, the writ petition was premature. Accordingly, the writ petition was dismissed on 31st January, 2001. Aggrieved by that order, the appellant is in appeal before us.

Mr. M.L. Verma, learned senior counsel appearing for the appellant, submits that the impugned notices relate to seven assessment years; that during the pendency of these appeals, in respect of two assessment years, viz., 1995-96 and 1996-97, assessment has been completed against which appeals have been filed. Notices relating to the other five assessment years, viz., 1992-93, 1993-94, 1994-95, 1997-98 and 1998-99, are now the subject-matter of these appeals.

We see no justifiable reason to interfere with the order under challenge. However, we clarify that when a notice under Section 148 of the Income tax Act is issued, the proper course of action for the noticee is to file return and if he so desires, to seek reasons for issuing notices. The assessing officer is bound to furnish reasons within a reasonable time. On receipt of reasons, the notice is entitled to file objections to issuance of notice and the assessing officer is bound to dispose of the same by passing a speaking order. In the instant case, as the reasons have been disclosed in these proceedings, the assessing officer has to dispose of the objections, if filed, by passing a speaking Order before proceeding with the assessment in respect of the above said five assessment years.

Insofar as the appeals filed against the order of assessment before the Commissioner (Appeals), we direct the appellate authority to dispose of the same, expeditiously.

With the above observations, the civil appeals are dismissed. No costs.

4. According to the Ld. Sr. Counsel, in the present case, the AO failed to follow the binding direction of Hon'ble Apex Court (supra) and brought to our notice that AO issued notice u/s.148 of the Act on 30.03.2021 and pursuant to it, the assessee filed return of income on 23.04.2021 and sought reasons for issuance of notice (re-opening the assessment) and the AO furnished reasons on 06.05.2021 and pursuant to that, on



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15.06.2021, the assessee filed its objections against the impugned re-opening; and the AO without bothering to dispose of the objections, passed the re-assessment order on 31.03.2022, which action/omission on the part of the AO, according to Ld Sr Counsel is in violation of the binding order of the Hon'ble Supreme Court in G.K.N. Driveshats (India) Ltd. (supra) and thus vitiates the re-assessment order passed by the AO dated 31.03.2022. The Ld. Sr. Counsel pointed out in this context that the AO without disposing of the objections raised by the assessee on 15.06.2021, had intriguingly dealt with the objections against the re-opening of assessment in the body of re-assessment order dated 31.03.2022, which action of the AO, according to the Ld. Sr. Counsel was in gross-defiance to the binding direction of the Hon'ble Supreme Court (supra) and was an attempt to over-reach the Apex Court by non-compliance to the procedure stipulated therein. Such an impugned action of the AO, according to the Ld.Sr.Counsel, is against the spirit of the directions of the Hon'ble Supreme Court in M/s. GKN Driveshafts (India) Ltd. (supra), wherein, the Hon'ble Supreme Court has clearly held that if the assessee raised an objection to the issuance of notice u/s 148 of the Act, the AO is bound to dispose off the same by passing a speaking order before proceeding with the assessment and therefore, the impugned action of the AO is an attempt to defeat the purpose of such an exercise to be carried out by the AO and against the binding decision of the



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Hon'ble Supreme Court in M/s. GKN Driveshafts (India) Ltd., and also the decision of the various High Courts including the Hon'ble Madras High Court in the case of CIT v. Pentafour Software Employees' Welfare Foundation reported in [2019] 418 ITR 427 (Mad) and also in the case of CIT v. Janak Shantilal Mehta in Tax Case Appeal No.273 of 2020 order dated 16.12.2020, wherein, the Hon'ble Madras High Court held that the violation of the procedure laid down by the Hon'ble Supreme Court in the case of M/s. GKN Driveshafts (India) Ltd., would go to the root of the matter and thereby, affecting the jurisdiction of the AO to re-open the assessment itself. The Hon'ble Division Bench also repelled the Revenue's contention that even if objections weren't disposed off by the AO that would tantamount to only a procedural error. The Ld. Sr. Counsel also fairly brought to our notice that there is a decision of the Hon'ble Madras High Court in the case of Home Finders Housing Ltd. v. ITO (2018) 404 ITR 611 (Mad-HC) order dated 25.04.2018, wherein the Hon'ble Madras High Court was of the view that non-compliance of the procedure indicated in the case of M/s. GKN Driveshafts (India) Ltd., was only an irregularity which could be cured by remitting the matter to the authority. The Ld. Sr. Counsel further pointed out that the Hon'ble Madras High Court in Home Finders Housing Ltd. (supra), noted that the assessee in that case at no point of time requested the AO to pass a speaking order disposing off the objections (refer Para No.12). However, in the present



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case, the Ld. Sr. Counsel pointed out that the assessee had specifically requested the AO to pass a speaking order disposing off the objections as laid down by the Hon'ble Supreme Court in the case of M/s. GKN Driveshafts (India) Ltd. (supra) and in addition to such a request, also prayed before the AO to dispose off the objections at least four (4) weeks before framing of re-assessment order as held by the Hon'ble Bombay High Court in the case of Asian Paints Limited v. DCIT & anr. (2008) 296 ITR 90 (Bom) and also in the case of Bharat Jayantilal Patel v. UOI reported in [2015] 378 ITR 596 (Bom.), which fact we find from perusal of Page No.86 of the Paper Book. Thus, according to the Ld. Sr. Counsel, it can be noted that the decision of the Hon'ble Madras High Court in the case of Home Finders Housing Ltd. (order dated 25.04.2018), is distinguishable on the facts and not applicable to the present case, whereas, the Hon'ble Madras High Court decision in the case of Pentafour Software Employees' Welfare Foundation (order dated 05.08.2019) and Janak Shanthilal Mehta (order dated 16.12.2020) are the latest decisions, wherein, it was has held that non-compliance with the binding directions of the Hon'ble Supreme Court in the case of M/s.GKN Driveshafts (India) Ltd.(supra), would vitiate the re-opening and consequent reassessment order. Therefore, the Ld. Sr. Counsel prayed that on this ground itself the re-opening/re-assessment order passed by the AO dated 31.03.2022 is bad in law and therefore, needs to be quashed.



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5. Per contra, the Ld.DR for the Department Shri R. Clement Ramesh Kumar, Ld.CIT drew our attention to Page No.21 of the impugned order of the Ld.CIT(A), wherein, the Ld.CIT(A) has dealt with this legal ground by holding as under:

5.11 The appellant has also taken a plea that his objections against the proposed reopening were not disposed off by the AO, by way of speaking order, thereby violating the procedure laid down in GKN Drive shafts (India) Ltd (supra). I find that the AO has elaborately discussed and disposed off all the objections raised by the appellant, in the body of the assessment order (Paragraph 3) itself. Therefore, the procedure laid down by the Hon'ble Supreme Court in the aforesaid has been followed by the AO in substance. Merely the fact that a separate order of rebuttal was not passed, would not vitiate the proceedings, as the objections have been adequately addressed in the body of the assessment order itself.

5.12 In view of the facts and circumstances of the case, and the prevailing position of law applicable on such facts, I find that the AO has formed reason to believe that income chargeable to tax had escaped assessment in the hands of the appellant company, on the basis of specific, credible and tangible information, having live nexus with the appellant company. Further. this is not a case of change of opinion as the original assessment order is silent on this aspect. Therefore, the initiation of proceedings by the AO under section 147 for bringing to tax income which had escaped assessment in the hands of the appellant company is as per the procedure prescribed in law, hence valid. Accordingly, this Grounds of appeal is dismissed.

And in the light of the Ld.CIT(A)'s action (supra), he doesn't want us to interfere with the order of the Ld.CIT(A).

6. We have heard both the parties and perused the material available on record. We note that the assessee company filed its return of income for AY 2016-17 on 17.10.2016 admitting income of Rs.521,30,22,090/- and filed its revised return on 29.03.2018 declaring total income of Rs.517,05,43,270/-. The AO framed the original assessment u/s.143(3) of the Act on 27.12.2018 determining the assessed income at Rs.633,26,12,050/-. Thereafter, impugned notice u/s.148 of the Act was



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issued by AO and served on the assessee on 30.03.2021. Pursuant to which, the assessee filed its return of income on 23.04.2021 and requested the AO for copy of the *reasons recorded for re-opening of assessment* vide letter dated 23.04.2021. The AO furnished a copy of the reasons recorded on 06.05.2021 (refer Page Nos.53-60 of Paper Book); and the assessee objected to the re-opening by letter dated 15.06.2021 (refer Page No.63-86 of Paper Book); and it is noted that the assessee while objecting to the action of AO to re-open the assessment (vide letter dated 15.06.2021) had prayed to the AO (i) in the light of the objections, the AO may either drop the re-opening of assessment proceedings since no new tangible material was available on record to form reason to believe that income has escaped assessment and asserted that the proposed exercise of re-opening can be termed as mere 'change of opinion' and (ii) also pleaded that in the event, if the AO doesn't accept the plea raised by it to drop the proceedings, the AO may pass speaking order disposing the objections as per the Hon'ble Apex Court direction in M/s.GKN Driveshafts (India) Ltd.(supra), and in accordance to Hon'ble Bombay High Court in Asian Pains (supra). It would be pertinent to reproduce the following prayers made by assessee in this regard is as under:-

- (1) Pass speaking order disposing of the aforesaid objections to the re-opening of the assessment as is the procedure laid down in this regard by the Apex



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Court in case of GKN Driveshaft (India) Limited vs. DCIT [2003] 259 ITR 19 (SC)

(ii) Give Assessee a period of at least four weeks after service of order disposing the objections before proceeding with the reassessment proceedings as held by the Bombay High Court in the case of Asian Paint Limited vs. DCIT (2008) 296 ITR 90 (Bom) and Bharat Jayantilal Patel vs. UOI [2015] 378 ITR 596 (Bom) to undertake suitable actions

We also request your goodself that once the objection is disposed off and before framing of assessment pursuant to the aforesaid notice, kindly provide us an opportunity to make detailed submission on the merits of the case and also provide us a personal /virtual hearing.

7. We note that despite the assessee praying to the AO to either drop the assessment proceedings or pass speaking order disposing off objections raised by the assessee to re-open the assessment as laid down by the Hon'ble Supreme Court in the case of M/s.GKN Driveshafts (India) Ltd. (supra); and in addition to such a prayer, also requested AO to dispose of the objections, so that assessee get at least four (4) weeks time gap between the disposal of the objections and framing of re-assessment order. We find that despite assessee pleading for disposal of the objections by passing a speaking order, nevertheless, the AO didn't bother to pass the speaking order disposing off the objections before framing of the re-assessment dated 31.03.2022. However, it is noted that the AO has disposed off the objections in the body of the re-assessment order which action of the AO is gross-defiance to the order of the Hon'ble Supreme Court in the case of M/s.GKN Driveshafts (India) Ltd. (supra) and against the Hon'ble Bombay High Court in the case of Asian Paints Ltd., (supra) and Bharat Jayanthi Lal Patel (supra), wherein,



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their Lordships have given clear directions that the AO must dispose off the objections raised by the assessee against re-opening and facilitate at least four (4) weeks time before re-assessment order is framed, so that assessee may prefer filing of Writ Petition before the Hon'ble jurisdictional High Court against the re-opening of assessment. It is noted that the Hon'ble Bombay High Court in the case of Bharat Jayantilal Patel (supra) had an occasion to examine such an omission on the part of the AO who failed to give four (4) weeks time (before passing re-assessment order) as directed in Asian Paints Ltd. (supra) and the Hon'ble Bombay High Court was pleased to quash the re-opening/re-assessment order. In this context, it would be gainful to refer to the decision the Hon'ble Bombay High Court in the case of Asian Paints Ltd., wherein, their Lordships held as under:-

1. Heard learned Counsel for the petitioner and the respondent. Rule, returnable forthwith. By consent all the petitions are taken up for final hearing.
2. In all the above petitions, it is a case regarding reopening of the assessment order under [Section 148](#) of the Income-tax Act. In all the above cases, the petitioners have filed their respective objections on January 15, 2007, with regard to reopening of the assessment.
3. The learned senior Counsel for the petitioner pointed out that in some of the cases as soon as the objections were rejected by the concerned Income-tax Officer, even the assessment order has been passed within a very short time whereby the assessee is left without any remedy to challenge such an order of rejection.
4. Hence we make it clear that if the Assessing Officer does not accept the objections so filed, he shall not proceed further in the matter within a period of four weeks from the date of receipt of service of the said order on objections, on the assessee.
5. Accordingly, rule is made absolute.



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6. We also direct that the Income-tax Officer concerned shall follow the above procedure strictly in all such cases of reopening of assessment. All the petitions stand disposed of accordingly.

8. The Hon'ble Bombay High Court in the case of Bharat Jayantilal Patel (supra) has held as under:

The reasons recorded would be referred a little later.

"21. For the first contention of Mr.Pardiwalla to be considered, it is material to note that on 11th September, 2014 the petitioner addressed a detailed communication setting out his objections to the recorded reasons. These objections which are elaborate run into about 9 pages. Thereafter, the petitioner pointed out on 8th December, 2014 that he was required to attend the office of the Deputy Commissioner of Income Tax on 9th December, 2014. He pointed out as to how the reasons were supplied and how they have been dealt with and objected to by him. The petitioner specifically requested the assessing officer not to proceed with the scheduled hearing till the objections raised to the reasons have been disposed of by a speaking order.

22. On 5th March, 2015 a communication was addressed to the petitioner which purported to reject his objections. The objections have not been referred to in detail but what has been stated is that the case has not been reopened merely on the basis of a change of opinion. The fact that came to light during the assessment proceedings for assessment year 2011-12 are the basis for reopening the case pertaining to the assessment year 2007-08. Since the petitioner is stated to have filed a new return of income, he was called upon to attend the office with the information required on 13th March, 2015. The petitioner addressed a letter on 12th March, 2015 and pointed out that the communication dated 5th March, 2015 was received on 12th March, 2015, but no speaking order has been passed rejecting the objections and which is required by the law laid down in the case of GKN Driveshaft (India) Ltd. V/s. Income Tax Officer reported in (2003) 259 ITR 19 and Asian Paints Ltd. V/s. Deputy Commissioner of Income Tax & Anr. reported in (2009) 308 ITR 195 (Bom). The petitioner specifically invited the attention of the assessing officer to the directions in the case of Asian Paints (supra) and to the effect that if the assessing officer does not accept the objections to the reopening of the assessment or the reasons recorded, he shall not proceed further in the matter within a period of four weeks from the date of receipt or service of the said order on the assessee. Since the order dated 5th March, 2015 is stated to be rejecting the objections, then, the assessee prayed that for a period of four weeks from that order, no steps should be taken.

23. However, as has been rightly contended by Mr. Pardiwalla, ignoring this mandate in the decisions of this Court and the Hon'ble Supreme Court which has been further reiterated in M/s.Aroni Commercials Ltd. (supra), the impugned assessment order has been passed, that is dated 27th March, 2015. That is clearly within the period of four weeks from 5th March, 2015. The first contention of Mr.Pardiwalla, therefore, deserves acceptance as nothing contrary to the same has been placed before us".

9. Thus, we note in the light of the above discussions and the Hon'ble Madras High Court (Division Bench) decision on 16.12.2020 in the case of CIT v. Janak Shanthilal Mehta (supra) has clearly held that omission on the part of the AO to follow the binding directions of the Hon'ble Supreme



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Court in the case of M/s.GKN Driveshafts (India) Ltd., would vitiate the re-opening of assessment and consequent re-assessment order passed u/s.147/143(3) of the Act has to be quashed. For completeness, we note the Hon'ble Madras High Court in the case of Home Finders Housing Ltd.(supra), wherein it has been held that non-compliance of the directions of the Hon'ble Supreme Court in the case of M/s.GKN Driveshafts (India) Ltd., would tantamount to irregularity and in such cases, the re-assessment be restored back to the file of the AO to pass speaking order on the objections raised by the assessee, nevertheless, we find that the order in the case of Home Finders Housing Ltd., (supra) was a decision rendered earlier to the decision held by the Hon'ble Division Bench in CIT v. Janak Shanthilal Mehta (supra) and in such an event i.e. when there are two conflicting views between the order of Hon'ble High Court of co-equal strength (of the same Court) then, later pronouncement of the Hon'ble Court is binding on us as held by the Hon'ble Delhi High Court in the case of Bhika Ram & Ors. v. UOI reported in [1999] 238 ITR 113 (Delhi-HC) though in the context of two views expressed by the Hon'ble Supreme Court on an issue, wherein, it was held that the later view of the Hon'ble Supreme Court Bench of equal strength will prevail over the earlier view has held as under:-

The petitioners seek a direction to the Land Acquisition Collector to refund the amount of tax deducted from the amount of interest awarded to them under Sections 28 and 34 of the Land Acquisition Act, 1894. The tax was deducted at



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source consistently with the obligation of the Land Acquisition Collector created by Section 194A of the Income-tax Act, 1961. According to the petitioners, the amount of interest being not liable to tax, the Land Acquisition Collector was not justified in deducting the tax at source.

The issue is no more res Integra in view of same pronouncement of the Supreme Court in Bikram Singh v. Land Acquisition Collector [1997] 224 ITR 551, wherein their Lordships have held that such an amount of interest on delayed payment of compensation determined under the Land Acquisition Act was a revenue receipt exigible to income-tax under Section 4 of the Act. However, the claimant would be entitled to spread over the income for the period for which payment came to be made, so as to compute the income for assessing tax for the relevant accounting year. In view of the law so laid down the petitioner is not entitled to the relief prayed for.

However, learned counsel for the petitioner relied on Satinder Singh v. Umrao Singh, , to submit that compensation would not be treated as income. Learned counsel further submitted that the decision of the Supreme Court in Satinder Singh's case was not brought to the notice of the Supreme Court when Bikram Singh's case [1997] 224 ITR 551, was decided. It is also submitted that the reasoning on which their Lordships have proceeded in the case of Satinder Singh, , was also not argued before the Supreme Court in Bikram Singh's case [1997] 224 ITR 551. Not only are we not satisfied about the correctness of the submission so made, we are also of the opinion that such a plea is not open for consideration by us and Bikram Singh's case [1997] 224 ITR 551 (SC), being a later pronouncement of the Supreme Court by a Bench of co-equal strength, it is binding on us.

The senior standing counsel for the Revenue has pointed out that the definition of interest has undergone a change after the pronouncement of the Supreme Court in the case of Satinder Singh, . He also submitted that in Satinder Singh's case , the interest paid was by way of compensation while in the case at hand interest has been allowed as interest on the amount of compensation in accordance with the statutory provisions.

The petitioner is at liberty to have the income on account of interest assessed by seeking spread over consistently with the law laid down by the Supreme Court in the case of Bikram Singh [1997] 224 ITR 551. So far as the present petition is concerned, we hold the petitioner not entitled to any relief. The petition is dismissed. No order as to costs.

10. In the light of the above discussion, we are of the view that the assessee succeeds on the legal issue that the AO failed to comply with the binding directions of the Hon'ble Supreme Court in the case of M/s.GKN Driveshafts (India) Ltd., before framing the reassessment order. The AO rejecting objections of the assessee against re-opening by merely doing so while passing the re-assessment order, wouldn't come to the rescue of



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the Revenue because such an action of AO is noted to be in gross-defiance to the binding order of the Hon'ble Supreme Court; and the AO couldn't have over reached the order of the Hon'ble Supreme Court by disposing off the objections while framing the re-assessment order, which defeats the purpose of such an exercise as discussed supra. Therefore, we hold that the omission on the part of the AO to comply with the directions of the Hon'ble Supreme Court in the case of M/s.GKN Driveshafts (India) Ltd., strikes at the root of the jurisdiction of the AO to re-open the assessment and consequent passing of reassessment order dated 31.03.2022 is held to be non-est in the in the eyes of law and all other grounds are academic and not adjudicated. Therefore, on the legal issue as discussed, we quash the re-assessment order dated 31.03.2022 passed u/s.147/143(3) of the Act for AY 2016-17.

ITA No.1170/Chny/2024:

11. This is an appeal preferred by the assessee against the revision order passed by the Ld.PCIT, Chennai-1 u/s.263 of the Act dated 31.03.2024 interfering with the re-assessment order passed by the AO dated 31.03.2022 passed u/s.147/143(3) of the Act for AY 2016-17.

12. At the outset, we note that the Ld.PCIT has found fault on certain issue dealt within the re-assessment order passed by the AO dated 31.03.2022 and has passed the impugned order u/s.263 of the Act dated 31.03.2024. We note that the assessee has challenged usurpation of



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M/s. IDFC First Bank Ltd.

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jurisdiction by Ld PCIT u/s.263 of the Act. However, we note that the re-assessment order framed by the AO u/s.147/143(3) of the Act dated 31.03.2023 for AY 2016-17 (supra) stands quashed and held to be non-est in the eyes of law, in such an event, the foundation for exercising the impugned revisional jurisdiction doesn't exist (in the eyes of law); and therefore, the impugned action of the Ld.PCIT is held to be non-est in the eyes of law and deserves to be quashed. For that we rely on the legal maxim "*sublato Fundmento Credit opus*" meaning in case a foundation is removed, the super-structure falls. In Badarinath v. Tamil Nadu AIR 2000 SC 3243, the Hon'ble Supreme Court held that once the basis of proceedings is gone, all consequential orders & acts would fall on the ground automatically which is applicable to judicial and quasi judicial proceedings. In the light of the aforesaid discussion, the assessee succeeds and we quash the impugned revision order passed by the Ld.PCIT dated 31.03.2024 for AY 2016-17.

13. In the result, both appeals filed by the assessee are allowed.

Order pronounced on the 09th day of October, 2024, in Chennai.

Sd/-

(मनोज कुमार अग्रवाल)

(MANOJ KUMAR AGGARWAL)

लेखा सदस्य/**ACCOUNTANT MEMBER**

Sd/-

(एबी टी. वर्की)

(ABY T. VARKEY)

न्यायिक सदस्य/**JUDICIAL MEMBER**

चेन्नई/Chennai,

दिनांक/Dated: 09th October, 2024.

TLN, Sr.PS



ITA Nos.1170 & 1171/Chny/2024 (AY 2016-17)
M/s. IDFC First Bank Ltd.

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आदेश की प्रतिलिपि अग्रेषित / **Copy to:**

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त/CIT, Chennai / Madurai / Salem / Coimbatore.
4. विभागीयप्रतिनिधि/DR
5. गार्डफाईल/GF