



ORISSA HIGH COURT : CUTTACK

W.P.(C) No.10890 of 2025

In the matter of an Application under
Articles 226 and 227 of the Constitution of India

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Ramshankar Mahapatra,
Aged about 57 years
S/o-. Late Dinabandhu Mahapatra
At/PO-Deulpadar
District: Subarnapur-767020 ... Petitioner

-VERSUS-

1. Central Board of Direct Taxes (CBDT)
represented by its Chairman, North
Block, New Delhi-110002.
2. The Principal Chief Commissioner of Income
Tax, Aayakar Bhawan, Rajaswa Vihar,
Bhubaneswar-751007
3. The Income Tax Officer, Ward-1,
Bolangir, Income Tax Office, Titlagarh
Road, Dist:Bolangir-737001, Odisha
4. The Assessment Unit, Income Tax
Department, The National Faceless Assessment
Centre, 2nd Floor, E-Ramp,
Jawaharlal Nehru Stadium, Delhi-110003.
5. The Commissioner of Income Tax-1,
National Faceless Assessment Centre,
Delhi, 4th Floor, Mayur Bhawan,



Connaught Lane, New Delhi-110001.

... Opposite Parties

Counsel appeared for the parties:

For the Petitioner : M/s. Chitrasen Parida and D. Hazra, Advocates

For the Opposite Parties : Mr. Subash Chandra Mohanty, Senior Standing Counsel and Mr. Avinash Kedia, Junior Standing Counsel for Department of Income Tax

P R E S E N T:

**HONOURABLE CHIEF JUSTICE
MR. HARISH TANDON**

AND

**HONOURABLE JUSTICE
MR. MURAHARI SRI RAMAN**

Date of Hearing : 16.05.2025 :: Date of Order : 16.05.2025

O R D E R

MURAHARI SRI RAMAN, J.—

Assailing the order dated 11.03.2025 passed by the opposite party no.4-The Assessment Unit, Income Tax Department, The National Faceless Assessment Centre under Section 147 read with Section 144B of the Income Tax Act, 1961 pertaining to assessment year 2017-18, the petitioner has come up before this Court invoking



provisions under Articles 226 and 227 of the Constitution of India.

- 2.** The case of the petitioner was selected for reassessment under Section 147 of the Income Tax Act, 1961 (“I.T. Act”, in short) having filed its return of income on 23.03.2024 in ITR-3 under Section 148 pertaining to assessment year 2017-18. On 16.01.2025, in continuation with the assessment proceedings, opposite party no.4- The Assessment Unit, Income Tax Department, The National Faceless Assessment Centre instructed the petitioner to upload certain evidences granting him barely four days, which is considered by the petitioner to be insufficient for compliance.
- 3.** Since inadequate time was granted for uploading the documents and there was insufficient space allotted for uploading, it took considerable time for scanning the documents and submitting the same before the assessing officer. However, the assessment has been framed raising demand to the tune of Rs.1,36,,20,813/-.
- 4.** Sri Chitrasen Parida, learned counsel appearing for the petitioner drew attention of this Court to Standard Operating Procedure dated 03.08.2022 issued by the Ministry of Finance, Central Board of Direct Taxes National Faceless Assessment Centre, Paragraph-N.1.3 of which is reproduced hereunder:-



“To ensure adherence to the principles of natural justice and reasonable opportunity to the assessee, timelines to be given for obtaining response to the SCN shall be:

N.1.3.1 Response time of 7 days from the issue of SCN.

N.1.3.2 Response time of 7 days may be curtailed, keeping in view the limitation date for completing the assessment.”

4.1. He submitted that the show cause notice under Section 144(3) being issued on 16.01.2025 fixing due date of submission of reply on 20.01.2025, the same is contrary to the Standard Operating Procedure. He further submitted that since voluminous record was to be uploaded on the portal for faceless assessment and the system having limited space, the petitioner could not submit necessary record within the stipulated period. He fervently prays for setting aside the assessment order so as to grant the petitioner to avail one opportunity to present its matter before the Faceless Assessment Unit.

5. Sri Subash Chandra Mohanty, Senior Standing Counsel along with Mr. Avinash Kedia, learned Junior Standing Counsel for the Income Tax Department on instructions submitted that the Faceless Assessment Unit has stipulated the date by which the petitioner was required to furnish documents. He further submitted that within the period stipulated, the petitioner could very well upload the documents available with him. The Assessing Authority having considered the documents available



with him passed the appropriate order, which warrants no interference.

6. Section 144B(6)(xi) of the I.T. Act empowers the Principal Chief Commissioner or the Principal Director General, as the case may be, in-charge of the National Faceless Assessment Centre, to lay down the standards, procedures and processes for effective functioning of the National Faceless Assessment Centre and the units set up, in an automated and mechanised environment with prior approval of the Board.
7. The Standard Operating Procedure under the Faceless Assessment provisions of Section 144B of the I.T. Act issued by the Government of India, Ministry of Finance, Central Board of Direct Taxes National Faceless Assessment Centre on 03.08.2022 clearly lays down that in order to afford natural justice and reasonable opportunity to the assessee, seven days' time from the issue of show cause have been stipulated. Having glanced at show cause notice issued under Section 144(3), it is apparent that the same was issued on 16.01.2025 with stipulation for submission of reply by 20.01.2025. Therefore, on the face of the record, the time so specified by the Faceless Assessment Unit is not in consonance with the Standard Operative Procedure. Therefore, this Court is of the view that there has been flagrant violation of the principles of natural justice.



8. It is apt to refer to decision of Hon'ble Supreme Court rendered in *Basudeo Tiwary Vrs. Sido Kanhu University and others*, (1998) 8 SCC 194; *Nagarjuna Construction Company Limited Vrs. Government Andhra Pradesh*, (2008) 16 SCC 276 as relied on by the counsel for the petitioner to contend that violation of natural justice leads to arbitrariness and when right is affected by decision taken by statutory powers, the Court may presume existence of a duty to observe the rules of natural justice. There is no cavil that whenever it is necessary to ensure against the failure of justice, the principles of natural justice must be read into the provision.
9. In view of the aforesaid facts and the legal position, the Court, while diligently considering the material available on record, perceives that inadequate time was granted to the petitioner to furnish voluminous documents. Therefore, this Court is inclined to set aside the Assessment Order dated 11.03.2025 passed under Section 147 read with Section 144B of the Income Tax Act and remit the matter to the opposite party no.4- The Assessment Unit, Income Tax Department, The National Faceless Assessment Centre for fresh adjudication of the matter with respect to financial year 2016-17 relevant to assessment year 2017-18. It is hoped that the Assessing Authority shall afford reasonable opportunity to furnish



required documents necessary for the purpose of assessment for the said period.

10.With the aforesaid observation and direction, the writ petition stands disposed of.

**(HARISH TANDON)
CHIEF JUSTICE**

**(MURAHARI SRI RAMAN)
JUDGE**

*High Court of Orissa, Cuttack
The 16th May, 2025/Aswini*