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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ **W.P.(C) 5807/2014**

Reserved on : 17th August, 2017
Decision on :30th August, 2017

SWAROVSKI INDIA PVT. LTD. ..... Petitioner

Through: Mr. M. S. Syali, Senior Advocate with Mr. Mayank Nagi and Mr. Tarun Singh, Advocates.

Versus

DEPUTY COMMISSIONER OF INCOME TAX, CIRCLE NO. 7(1), NEW DELH. ..... Respondent

Through: Mr. Zoheb Hossain, Senior Standing Counsel.

CORAM:
JUSTICE S.MURALIDHAR
JUSTICE PRATHIBA M. SINGH

JUDGMENT

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Prathiba M. Singh, J.

1. The Petitioner seeks quashing of a notice dated 25th March, 2014 issued under Section 148 of the Income Tax Act, 1961 (hereafter referred to as 'the Act') by which the Deputy Commissioner of Income Tax ('DCIT') sought to re-assess the Petitioner's income for the Assessment Year ('AY') 2007-08 on the ground that the income chargeable to tax had escaped assessment, within the meaning of Section 147 of the Act.

Background facts

2. The Petitioner is engaged in the business of manufacturing, production of

imitation pearls as also import and sale of crystals and crystal related items in India. It has two units, one in Pune and another in Delhi. According to the Petitioner, the Pune unit is a 100% a export oriented unit, set up for coating of raw beads and producing commercially usable goods and the Delhi unit has been set up for importing and trading/sale of crystal and crystal related products.

3. The Petitioner had filed its return for AY 2007-08 declaring a loss of Rs.5,36,96,344/-, after claiming benefit of Rs.4,67,89,966/- as deduction under Section 10B of the Act in respect of the Pune unit. The Petitioner was issued notice by the Assessing Officer ('AO') under Section 143 (2) of the Act. The AO also made a reference of the Petitioner's case to the Transfer Pricing Officer ('TPO') under Section 92 CA of the Act. Post the TPO's report, a draft order under Section 144 C of the Act was passed by the AO. Thereafter, the final assessment order under Section 143 (3) of the Act came to be passed by the AO on 28th January, 2011. The further proceedings arising from the said assessment order are currently pending before the Income Tax Appellate Tribunal ('ITAT'). It is relevant to point out that in the draft assessment order, passed under Section 144 C of the Act, the Petitioner was given the benefit of the deduction under Section 10B of the Act.

4. Thereafter, a notice under Sections 154/155 was also issued on 28th June, 2013 of the Act on the ground that the computation of income under Section 143 (3) of the Act dated 28th January, 2011 is required to be amended due to a mistake apparent on the face of the record. In the said notice, the AO

captured the particulars of the mistake proposed to be rectified, as under:

> *"The assessment of M/s Swarovski India Pvt. Ltd. for the assessment year 2007-08 was completed under section 143(3) of the Income Tax Act, 1961 in January, 2011 determining an income of Rs. 68524800 after allowing deduction of Rs.46789966 u/s 10B and creating a demand of Rs. 6567190. Perusal of records revealed that the assessee company is running two units viz Delhi unit which is doing trading whereas the Pune unit is doing manufacturing activities. The assessee has shown taxable income of Rs. 47017800 from Pune unit on which exemption u/s 10B has been claimed at Rs. 46789966. The assessee has loss from Delhi unit amounting to Rs. 53924178. Over all the assessee has a negative profit in the Gross Total Income amounting to Rs. 6906378. Thus when the Gross total income of the assessee is negative, the assessee is not entitled to exemption of income from the 10B unit separately and to carry forward the loss of the not 10B unit only. The view is also supported by the Assessing Officer himself while finalizing assessment of A. Y 2008-09 and disallowed the deduction u/s 10B. This mistake resulted in incorrect allowance of deduction u/s 10B amounting to Rs. 46789966 involving tax effect of Rs.15749503 including interest."*

5. Thus, the main reason set out in the said notice under Section 153/154 was that since the gross total income in respect of both the units at Pune and Delhi was in the negative, the Assessee was not entitled to exemption separately for the Pune unit. The Assessee replied to the said notice. However, thereafter no order was passed by the AO thereon.

6. On 25th March 2014, a notice under Section 148 of the Act came to be issued to the Assessee by the AO. The 'reasons to believe' as recorded by

the AO, and as communicated to the Assessee upon request, were with respect to the deduction of Rs.4,67,89,966/- under Section 10B of the Act. The said reasons to believe contained the following two grounds, on which the AO proposed to re-assess the taxable income of the Assessee for the AY 2007-08:-

> "*(ii) It is observed that the assessee company is running two units viz Delhi unit which is doing trading whereas the Pune unit is doing manufacturing activities. The assessee has shown taxable income of Rs.4,70,17,800/- from Pune unit on which exemption u/s10B has been claimed at 4,67,89,966. The assessee has also shown loss from Delhi Unit amounting to Rs.5,39,24,178. Over all the assessee has a negative profit in the Gross total income amounting to Rs. 69,06,378/-. It is clear that when the Gross total income of the assessee is negative, the assessee is not entitled to exemption of income from the 10B unit separately and to carry forward the loss of the non 10B unit only.*
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> *(iii) It is also noticed that the assessee is not bringing any sale proceeds in India and only providing manufacturing services to its AEs and receiving charges on cost plus basis. It is also contended that the practice adopted by the assessee, legal position and submission of the assessee was not held covered by the provision of section 10B. Same view as taken by the AO in the A Y 2008-09 & 2009-10 and exemption u/s 10B was disallowed by the then AO. In view of this the deduction of 4,67,89,966/- has been erroneously claimed by the assessee for A Y 2007-08.*"

7. The Assessee filed its objections and contended that the notice under Section 148 of the Act was barred as it had been issued beyond the period of four years. The Assessee also contended that the proceedings under Section

143 (3) of the Act were completed on the very same facts. The Assessee recapitulated the entire history of the dispute by referring to the various notices that had been issued to it qua this AY and the proceedings initiated therefrom by the authorities. The Assessee pointed out that its accounts for this year were examined by the AO on several occasions. In short, the Assessee contended that there was no ground for reopening the assessment.

8. The objections were disposed of by the AO on 11th June, 2014. The AO upheld the validity of the initiation of the re-assessment proceedings. The Petitioner has thus challenged, in this writ petition, the initial notice dated 25th March, 2014 issued under Section 148 of the Act as also the order dated 11th June, 2014 disposing of the objections of the Assessee.

Petitioner's Submissions

9. Mr. M. S. Syali, learned Senior Advocate appearing for the Petitioner contends that the Section 148 proceedings are untenable in law, inasmuch as, the same issues that have already been examined while passing the initial assessment order under 143 (3) and the other proceedings under Section 153, are being raked up again and again by the authorities without any fresh material or facts.

10. The foundation of Mr. Syali's argument is that the very same issue relating to the entitlement of the Pune unit for deduction under Section 10B of the Act has been now adjudicated in favour of the Petitioner for AY 2008-09. According to Mr. Syali both the reasons for re-opening the assessment are not tenable. His submission in brief, for each reason, is as

under:

10.1 In respect of the first reason for re-opening the assessment i.e. that the overall income of the Assessee being negative and that the Assessee is not entitled to exemption under Section 10B of the Act, the same is not tenable in view of the decision of the Supreme Court in ***CIT v. Yokogawa India Ltd., [2017] 391 ITR 274 (SC)*** *(hereafter 'Yokogawa').* He relies upon the objections filed by the Assessee to the impugned notice wherein the Assessee had disclosed to the AO all the details relating to the adjustment of the losses of the Delhi unit against the profits of the Pune unit. The detailed bifurcation of the returned and assessed brought forward losses, between the Pune unit and Delhi unit for the previous assessment years, was also disclosed vide letters dated 10th/18th December, 2012. On merits, Mr. Syali relies upon the judgment of the Supreme Court in ***Yokogawa (supra)*** to submit that the present case is similar to the case decided by the Supreme Court in ***Yokogawa (supra)***. As regards the first reason for re-opening he submits that ***Yokogawa (supra)*** is the authority on the proposition that the deduction under Section 10B has to be with reference to the gross total income of the *eligible undertaking*, which in this case is the Pune unit of the Assessee. Such deduction has to be made before arriving at the total income of the Assessee.

10.2 Insofar as the second reason for re-opening, viz., that the Assessee merely merely providing manufacturing services to its AEs on cost plus basis, at the Pune Unit, Mr. Syali explained that this was factually incorrect. He relies upon the Transfer Pricing Report to submit that the Assessee was

not rendering its services on the cost plus basis but in fact the cost plus methodology was adopted to determine the comparables for the purpose of fixing the arm's length price. Thus, according to Mr. Syali, the AO committed an error in wrongly presuming that the Assessee was receiving the charges on a cost plus basis. Mr. Syali further relies upon the Form 3CEB for the AY 2007-08 issued by the external auditors, which contain the details of the purchases made, the details of invoices to demonstrate that the cost plus method was used for determining the arm's length price. He also placed reliance upon an order passed by this Court in ITA No.1223/2011 (***CIT v. Lovlesh Jain*** *(hereafter 'Lovlesh Jain')*) to submit that the term `manufacturing' has a wide connotation and the interpretation of the AO is wrong on this count.

10.3 Finally, on the third reason cited in the reasons to believe, i.e., the assessment order for AY 2008-09, Mr. Syali refers to the order of the CIT(A) to submit that the AO's order for the said AY 2008-09 has now been reversed and the CIT(A) has now held in favour of the Assessee. Mr. Syali specifically relies upon the order of the CIT(A) which, in turn relied upon the decision of the Supreme Court in ***Yokogawa (supra)***, and granted the benefit of exemption under Section 10B of the Act to the Assessee.

10.4. Mr. Syali, thereafter relies upon the grounds of the appeal, filed by the Revenue before the ITAT against the order of the CIT (A) to submit that the Revenue has not challenged the grant of deduction under Section 10B of the Act to the Assessee. Thus, according to Mr. Syali, the matter has attained finality insofar as the deduction under Section 10B is concerned and hence

the basis for reopening the assessment for AY 2007-08 no longer survives.

11. In support of these contentions, Mr. Syali has relied upon the following three orders wherein Courts have ruled in favour of the Assessee when the basis of `reasons' is itself non-existent due to subsequent developments:

(i) ***A. T. Kearney India Ltd. v. ITO, 371 ITR 179 (Del)*** *(hereafter 'A. T. Kearney')*

(ii) Order passed in W.P.(C) No.5895/2010 (***National Agricultural Cooperative Marketing Federation of India Ltd. v. ACIT***) *(hereafter 'National Agricultural')*

(iii) ***Ultra Marine Air Aids (P) Ltd. v. Inspecting Assistant Commissioner, 322 ITR 273 (Del)*** *(hereafter 'Ultra Marine')*

(iv) Order passed in W.P.(C) No.17719-20/2006 (***Silver Oak Laboratories Pvt. Ltd. & Anr. v. DCIT***) *(hereafter 'Silver Oak')*

12. Mr. Syali relied upon the ***DCIT v. Simplex Concrete Piles (India) Ltd., (2013) 358 ITR 129 (SC)*** *(hereafter 'Simplex Concrete')* to argue that merely on the basis of a subsequent opinion of a higher forum, an assessment cannot be re-opened under Section 148 of the Act. According to Mr. Syali, there was no basis for the reasons to believe and he relies upon ***Swarovski India Pvt. Ltd. v. DCIT 368 ITR 601*** *(hereafter 'Swarovski India')* and ***Hindustan Lever Ltd. v. R. B. Wadkar 268 ITR 332*** *(hereafter 'Hindustan Lever')*. Mr. Syali places heavy reliance on the view taken by this Court in ***Orcale India Pvt. Ltd. v. ACIT 2017 SCC OnLine Del 9360*** *(hereafter 'Oracle India')* to submit that the jurisdictional requirement for reopening of the assessment is not satisfied. Mr. Syali further relies upon

Hindustan Lever (supra) to submit that there exists some vital link to safeguard against arbitrary reopening of a concluded assessment and that oral submissions cannot be used to strengthen the reasons to believe recorded by the AO.

Respondent's Submissions

13. Mr. Zoheb Hossain, learned Senior Standing Counsel for the Revenue submits that at the stage of issuance of notice under Sections 147 and 148 of the Act, the AO only needs to take a *prima facie* view that income has escaped assessment and that the order passed for the subsequent year could form the basis for reopening of the assessment of an earlier year. He relies upon ***Sitara Diamonds Pvt. Ltd. v. ITO 8(3)(2), ACIT Tax Circle -8, CIT (2013) 358 ITR 424*** *(hereafter 'Sitara Diamonds'),* and ***Ess Ess Kay Engineering Co. Pvt. Ltd. v. CIT (2001) 247 ITR 818*** *(hereafter 'Ess Ess Kay 2001').* Mr. Hossain points out that if the assessing authority discovers a fact later on, he is entitled to form an opinion that the primary facts disclosed in the previous years were untrue and in such circumstances, the AO is permitted to reopen the assessment. In support of this contention, Mr. Hossain places heavy reliance on ***Siemens Informations Systems Ltd. v. ACIT (2012) 343 ITR 188*** *(hereafter 'Siemens Informations Systems')* and ***CIT v. Ess Ess Kay Engineering Co. Pvt. Ltd. (1982) 137 ITR 446*** *(hereafter 'Ess Ess Kay 1982').*

14. Mr. Hossain further submits that the Assessee is not bringing any sale proceeds in India and it is merely providing manufacturing services to its AEs and receiving the service charges on a cost plus basis. According to

him, the Assessee is also not exporting any articles/things but merely carrying out the job work. Since the Assessee cannot purchase the goods from the AEs and cannot sell these goods to anyone else or deal with them as per its wishes, the business activities cannot be considered as exports, thus disentitling the Assessee for the benefit of Section 10B of the Act. According to Mr. Hossain, since the nature of activity at the Pune unit by itself did not qualify for the benefit under Section 10B and also since the overall income of the Assessee is in the negative, it is not entitled to the exemption under Section 10B of the Act.

15. Mr. Hossain submits that the Assessee ought to be directed to participate in the assessment proceedings wherein it can rely upon the orders passed in the subsequent AY 2008-09. Mr. Hossain specifically relies upon ***AGR Investment Ltd. v. ACIT [2011] 333 ITR 146 (Del)*** *(hereafter 'AGR Investment')* to submit that the sufficiency or correctness of the material is not to be considered at the stage of notice under Section 148 of the Act. Mr. Hossain submits that mere production of account books or other evidence before the AO would not *per se* be sufficient disclosure. He relies on Explanation 2 to Section 142 of the Act and the judgment of this Court in ***Rakesh Agarwal v. ACIT (1996) 221 ITR 492*** *(hereafter 'Rakesh Agarwal').*

Analysis and Findings

16. The undisputed facts in the present case are that a detailed analysis of the Assessee's accounts, financial statements, computation etc. was undertaken as part of the original assessment proceedings. The Assessee had, during the

original assessment proceedings, disclosed the existence of its Pune unit and the exports undertaken therefrom. It had made a full disclosure of the facts relating to its Delhi unit. Thus, all the facts were well within the knowledge of the AO since inception.

17. The notice under Section 154 of the Act, questioning the deduction claimed and allowed under Section 10B was also issued on the same basis. However, the said notice does not appear to have been pursued further after the Assessee filed its submissions in response thereto.

18. While the proceedings under Section 143 (2) had culminated into an order under Section 143 (3), the issuance of the notice under Section 148 after a period of four years requires that there ought to be a *failure to disclose fully and truly all material facts*. This is the settled principle as held in ***Oracle India (supra)***, ***BDR Builders and Developers Pvt. Ltd. v. ACIT 2017 SCC OnLine Del 9425*** *(hereafter 'BDR Builders')*, and ***Unitech Limited v. DCIT 2017 SCC OnLine Del 9408*** which are all recent judgements of this Court.

19. The Revenue's stand, that the proceedings of subsequent years could form the basis to reopen the assessment of an earlier year, if accepted unconditionally, could lead to unending assessment proceedings. Such reopening cannot be permitted if there is no fresh material or facts discovered later on. This is clear from both the judgments cited by Mr. Hossain namely ***Ess Ess Kay 2001 (supra)*** and ***Siemens Informations Systems (supra)***. In ***Ess Ess Kay 2001 (supra)*** the Supreme Court observed

that a reopening of assessment by the AO *`of an earlier year on the basis of the findings of fact made on the basis of fresh materials in the course of assessment of the next assessment year'* would not be precluded. Thus, this Court does not accept the proposition that in every case it would be permissible for the assessing authority to reopen the assessment of an earlier year on the basis of assessment of a subsequent year. While it is possible that on the same set of facts, the AO could, in a subsequent year, form a different opinion, that by itself would not justify the reopening of an assessment of the previous year made under Section 143 (3) of the Act. However, if fresh material is discovered or facts are discovered later on in respect of the said earlier assessment year, in a subsequent year, depending on the facts of each case, the validity of the reopening of assessment would have to be adjudicated.

20. In the present case, there is no fresh fact or fresh material which forms the reasons to believe for reopening of the assessment except the order passed by the AO for the subsequent AY 2008-09.

21. The impugned notice contains three reasons on the basis of which the AO proposes to re-assess the taxable income.

(i) Reason no. 1 - that the gross total income of the Assessee is in the negative and hence exemption under Section 10B of the Act cannot be granted separately for the Pune unit.

(ii) Reason no. 2 - that the Assessee is not bringing any sale proceeds into India but only providing manufacturing services to its AEs and

receiving charges on a cost plus basis.

(ii) Reason no. 3 - that the AO in the subsequent AY 2008-09 has disallowed the exemption under Section 10B of the Act.

Each of the reasons is considered hereinafter.

22. Insofar as the first reason is concerned, it is the admitted position that during the assessment proceedings a questionnaire dated 27th October, 2010 had been issued to the Assessee wherein the Assessee had provided all the details relating to income, the exempted income as also background of the business and revenue streams of the Assessee. In its computation of income filed with the AO, the Assessee had disclosed the position of losses under the Delhi unit and profits of the Pune unit. The detailed bifurcation of the returned and assessed brought forward losses, between the Pune unit and Delhi unit for the previous AY, were also disclosed. The AO had, in the order dated 28th January, 2011 under Section 143 (3) of the Act, assessed the Assessee at an income of Rs.6,85,24,800/- and hence the first reason of the income being negative is plainly contrary to the record.

23. In any event, while allowing deduction under Section 10B, the deduction is to be qua an eligible undertaking i.e. in this case the Pune unit. This is settled by the Supreme Court in no uncertain terms in ***Yokogawa (supra)*** wherein the Supreme Court has held as under:

> *"…16. From a reading of the relevant provisions of Section 10A it is more than clear to us that the deductions contemplated therein is qua the eligible*

> *undertaking of an Assessee standing on its own and without reference to the other eligible or non-eligible units or undertakings of the Assessee. The benefit of deduction is given by the Act to the individual undertaking and resultantly flows to the Assessee…."*

The Pune unit being an export unit is an eligible undertaking and is entitled to the benefit under Section 10B. All the material relating to the Pune and Delhi units and their respective businesses, having been filed with the AO, there being nothing new, this reason is not tenable.

24. The second reason for re-opening the assessment - that the Assessee is not bringing sale proceeds into India and only providing manufacturing services to its AEs on a cost plus basis. A perusal of the Form 3CEB specially Annexure-II (**Particulars in respect of transactions in Tangible Property International Transaction** (s) in respect of purchase of raw material, consumables or any other supplies for assembling/processing/manufacturing of goods/articles from associated enterprise) and Annexure-V (**Particulars in respect of providing of Services International Transaction (s)** in respect of services such as financial, administrative, technical commercial services, etc.) reveals that the Assessee has earned revenues from manufacturing of goods/articles. The reasons recorded seem to suggest that no sale proceeds are brought to India and that the Assessee is only providing the manufacturing services to its AEs and receiving the charges on a cost plus basis. This is not correct as per the record.

25. It appears that the AO has completely missed the fact that this issue had been examined in detail in the Transfer Pricing Report prepared by the TPO, which was considered for the purpose of computing the Assessee's income, when the order under Section 143 (3) of the Act was passed. After examining the various documents on record, the TPO had recommended an enhancement of the income by an amount of Rs.9,57,56,877/- while computing the total income. This recommendation of the TPO had been accepted by the AO in the order passed under Section 143 (3) of the Act. Moreover, the audited financial statement of the Assessee clearly reflects the purchases made by the Assessee for its Pune unit as is also reflected in the Form 3CEB. In respect of the transactions entered into by the Assessee with its AEs and the relationship between the Assessee and its AEs, it was discussed in detail that the Assessee has purchased the goods including chemicals, packing material, twinklet material, touchstone material etc. and has sold the same after duly manufacturing the final products. The impugned notice has misconstrued the term manufacturing, inasmuch as, for any process to constitute manufacturing, it is not essential that the entity ought to be involved in manufacturing of the finished article alone.

26. It is settled law that any process which renders the commodity or article fit for use constitutes manufacture. This Court has in ***Lovlesh Jain (supra),*** after discussing the entire law on the subject held :

> "*…10. The word "manufacture" can be given, both a wider as well as a narrower connotation. In wider sense, it simply means to make, fabricate or bring into existence an article or product either by physical labour or by mechanical power. Given a narrower*

> *connotation it means transforming of the raw material into a commercial product/commodity or finished product which has a new, separate entity but this does not necessarily mean that the material by which the commodity is manufactured must lose its identity. The latter connotation has been accepted and applied with some moderation/clarification in several decisions, keeping in view the context in which the word "manufacture" has been used.*
> .....
> *If an operation or process that renders a commodity or article fit for use, which it is otherwise not fit, the change/process falls within the meaning of the word "manufacture"…."*

27. It is not in dispute that Explanation 4 to Section 10B of the Act specifically describes `*the cutting and polishing of precious and semi precious stones*' as manufacture. The Assessee claims to be carrying out the said processes. The Assessee performs cutting and polishing beads and crystals at different stage of manufacturing processes and earns convertible foreign exchange on the sale of the same to the AEs. This process, clearly, constitutes manufacturing as contemplated under Section 10B of the Act.

28. The Assessee's Pune unit is a 100 % export oriented unit carrying on manufacturing activities. The AO, during the assessment proceedings, had accepted this position and had assessed the income of the Assessee at Rs.6,85,24,800/- after allowing the benefit under Section 10B of the Act. There was no reason for the AO to seek re-assessment on this ground.

29. Coming to the third reason for reopening the assessment, the AO had relied on the assessment order passed in the AY 2008-09 and AY 2009-10 as

one of the grounds for issuing notice for re-assessment under Section 148 of the Act. The main plank of the arguments of Mr. Syali is that the fundamental basis of the reasons to believe itself does not subsist, inasmuch as, in the AY 2008-09 the AO had disallowed the deduction under Section 10B for the Pune unit but in appeal, the CIT(A) granted the benefit of deduction under Section 10B.

30. This order of the CIT (A) has been challenged by the Revenue before the ITAT but the exemption granted under Section 10B is not under challenge therein.

31. This Court, therefore, agrees with the submission of Mr. Syali that the basis for the reasons to believe do not survive any more, as held by this Court in ***A. T. Kearney (supra), Silver Oak (supra)*** and in ***Ultra Marine (supra)***, the reopening does not survive. The observation by this Court in ***Ultra Marine (supra)*** is apt and reads as under:

> *"…As the notification- has been quashed and, the same has not been assailed by the Revenue Department, the reasons for reopening the assessment under section 147/148 of the Income Tax Act, 1961, do not survive. The very basis and foundation for issue of reassessment notice have ceased to exist. Consequently, the writ petition is allowed…"*

32. In ***Silver Oak (supra)***, this Court has held as under:-

> *"…We have heard the counsel for the parties. It is apparent that the reasons recorded do not contain any specific allegation with regard to the year in question, i.e., the assessment year 1999-2000. The sole and entire basis of re-opening the assessment is the additions made in respect of the assessment years 1998-99 and 2001-02.*

> *There is no other reason given by the Assessing Officer for re-opening the assessment. Since the tribunal has already deleted the additions in respect of the assessment years 1998-99 and 2001-02, the very basis for continuing any further with the re assessment proceedings does not survive any more. We have also indicated above that there is no specific allegation with regard to the assessment year 1999-2000 regarding suppression of sale figures…."*

Thus, all the three reasons for re-opening the assessment under Sections 147/148 of the Act do not stand.

33. The Pune unit of the Assessee being an eligible undertaking by itself, as held by the Supreme Court in ***Yokogawa (supra)***, is entitled to the benefit of Section 10B of the Act. It is also held that the activities conducted by the Pune unit constitute `manufacture' and in the subsequent year, on a similar set of facts, the issue of benefit under Section 10B having attained finality, the impugned order deserves to be quashed. Accordingly, notice dated 25th March, 2014 issued under Section 148 of the Act is quashed and the order dated 11th June, 2014 passed by the Respondent, disposing of the objections of the Assessee for AY 2007-08, is set aside.

34. The writ petition is allowed in the above terms. However, there will be no order as to the costs.

PRATHIBA M. SINGH, J

S.MURALIDHAR, J

AUGUST 30, 2017
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