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* IN THE HIGH COURT OF DELHI AT NEW DELHI

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Date of Decision : 16.01.2026

+ W.P.(C) 578/2026 CM APPL.2864/2026 CM APPL.2865/2026

EXPRESS FREIGHT CONSORTIUM

.....Petitioner

Through: Mr. Nageswar Rao, Mr. Parth and Mr. Ravilochan Daliparthi, Advs.

versus

ASSESSMENT UNIT, INCOME-TAX DEPARTMENT & ORS.

.....Respondents

Through: Mr. Gaurav Gupta, SSC.

CORAM:

**HON'BLE MR. JUSTICE DINESH MEHTA
HON'BLE MR. JUSTICE VINOD KUMAR**

JUDGMENT

DINESH MEHTA, J. (ORAL)

1. By way of the present writ petition, the petitioner has challenged the final assessment order and corresponding demand notice which the Assessing Officer (*hereinafter referred to as 'AO'*) has passed on 18.12.2025, without affording an opportunity of hearing to the petitioner.
2. Apprising the facts briefly, learned counsel for the petitioner



submitted that draft assessment order was passed on 06.11.2025, whereafter, the petitioner filed objections before the Dispute Resolution Panel (*hereinafter referred to as 'DRP'*) on 05.12.2025. It is admitted that a copy thereof was not sent to the AO, *bonafidely* believing that the DRP shall forward the same to him.

3. While admitting that the assessee did receive a notice from the AO on 08.12.2025, the petitioner did not respond to it under the impression that the proceedings will be kept in abeyance, as it had filed objections before the DRP and an intimation to this effect will be given and copy of the objections shall be forwarded to the AO, as the assessment process is faceless.

4. It is further submitted that to petitioner's shock and surprise, a final order has been passed by the AO on 18.12.2025, without calling for his response reply. While informing that the limitation for passing the final order was up to 31.01.2025, learned counsel argued that the AO could have inquired from the petitioner as to whether objections have been filed or not. He argued that the impugned order deserves to be set aside being contrary to the principle of natural justice.

5. Mr. Gaurav Gupta, learned Senior Standing Counsel for the respondent-Department on the other hand submitted that since the final assessment order has been passed, the petitioner should avail the appellate remedy rather than bothering this court under Article 226 and 227 of the Constitution of India.

6. We have considered the facts of the present case. As the petitioner received draft assessment order dated 06.11.2025 passed by the National Faceless Assessment Center (NFAC) and it had filed his objections before the DRP on 05.12.2025, he may not be legally correct or justified in



presuming that such objections (filed before DRP) shall be sent to the AO as well, because it is a regime of faceless proceedings.

7. Since the AO did not receive copy of the objection, he also presumed and rightly so that the petitioner has not filed objections to the draft assessment order and proceeded as per Section 144C(4) of the Income Tax Act, 1961 (hereinafter the 'Act of 1961') and passed the impugned order within one month from the end of the month, in which the draft assessment order was received by the petitioner.

8. As a matter of fact, Section 144C(2)(b) of the Act, 1961 enjoins upon the petitioner to forward a copy of the objections *qua* the draft assessment order to the AO also, which the petitioner admittedly failed to do. According to us, it was a small breach or lapse on the part of the petitioner which has led the AO to draw a presumption that the petitioner has not filed any objection *qua* the proposed/draft assessment order.

9. We feel that the consequence of such breach on the part of the petitioner to comply with Section 144C(2)(b) has resulted in adverse consequence to it inasmuch as a demand has been raised without the objection filed by the petitioner before the DRP being considered.

10. The scheme of Section 144C of the Act of 1961 provides that once the draft order is prepared by the Faceless Assessment Officer (FAO), the petitioner has a right to file objection, which shall be considered by the DRP. The objection filed by the assessee are supposed to be considered by the DRP on the one hand and requires the FAO to keep the proceedings in abeyance and await the order of DRP.

11. The provision takes care of the natural justice aspect and provides automatic deferral of the assessment proceedings. But the manner in which



the provision has been enacted, may give rise to a confusion in the mind of an assessee, more particularly in the era of e-filing, when the assessments are faceless assessments and in case of failure of the assessee to send copy of the objections, drawing of an inference by the FAO that the objections have not been filed. The consequence of not sending a copy to the Assessing Officer, who too is unknown (faceless) cannot and should not be so drastic.

12. No statute can be expected to leave too many loose ends. Too many presumptions lead to speculations and such interpretation is antithesis to the rule of law.

13. We wonder what will happen to the proceedings before the DRP in the instant case! Will they be rendered infructuous or if not, then what will happen to the assessment order, in case the DRP accepts the objection filed by the petitioner – how will that order of the DRP be given effect to?

14. We, are therefore, of the view that the AO may be legally correct in drawing an inference (that no objection has been filed by the petitioner) because copy of the objection has not been sent to him, but factually the objections, had been filed. The impugned order so also the demand notice of even date (18.12.2025) are hereby quashed and set aside.

15. Having done so, we direct the CBDT or the concerned authorities of the Income Tax Department to ensure (by way of issuing circular or office order, etc) that as and when an assessee files his objections before DRP either physically or electronically (which we are informed is presently in physical mode), the Registry/Secretary of DRP shall not accept the same, unless a proof to the effect that the same has also been sent/served to the AO is enclosed. That would ward off any such problem which the other



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assessees may face in future. This action shall also avert intentional attempts on the part of the assessee to use it as a strategy to buy time or to file the same before the AO on different date or not to file the objection before the DRP at all and take a plea that the assessment not become time barred.

16. Needless to observe that the setting aside of the assessment order will not have any bearing over the proceedings before the DRP, which shall take its independent view, in accordance with law.

17. Instant petition along with interlocutory applications is disposed of.

DINESH MEHTA, J

VINOD KUMAR, J

JANUARY 16, 2026/dd