

Transfer of assessee's case from one Jurisdiction to other without explaining reasons remanded back by HC

Summary – The High Court of Madras in a recent case of Mrl Postnet (P.) Ltd, (the Assessee) held that transfer of assessee's case from one Jurisdiction to other without explaining reasons requires that the issue be remanded back

Facts

- The assessee was a Private Limited Company and a survey under section 133A was conducted at the office premises of the assessee. Thereafter SCN was issued to the assessee asking as to why centralization of the assessee's case should not be done with the Assessing Officer, Bangalore.
- The assessee sent their reply stating that a Singapore company had become its 100 per cent owner and thus had no connection with them as on the date of survey and the sale of share of the assessee was not a ground necessitating centralization. The AO however transferred the assessee's case from Chennai to Bangalore without assigning any reasons.
- On Writ:

Held

- The HC stated that it is the bounden duty of the Principal Commissioner of Income Tax to record the reasons for transfer. In the present case a perusal of records show that the reasons recorded for transfer are not recorded and even the objection raised by the assessee have been dismissed without assigning any reason. Hence, the matter has to go back to the AO to state the reasons for transfer.
- Accordingly, the writ petition is allowed and the matter is remitted back to the AO to pass a fresh order on merits and in accordance with law with reasons.