

For initiating reassessment proceedings of current AY information obtained during previous assessment can be the basis

Summary – The High Court of Bombay in a recent case of Belazio Construction (P.) Ltd., (the Assessee) held that for initiating reassessment proceedings of current AY information obtained during previous assessment can be the basis

Facts

- The assessment of the assessee was completed under section 143(1) and the Assessing Officer issued re-opening notice under section 148 on the basis of the information obtained during the proceedings of the earlier assessment year.
- The Assessing Officer recorded that he had reasons to believe that the income had escaped assessment in the subject assessment year.
- On writ petition before the High Court:

Held

- The HC stated that reopening an assessment on the basis of the information obtained during course of an earlier year assessment is a valid basis for issuing reopening notice. In the present case, the assessment was completed by way of intimation under section 143(1) and hence details were not examined since no scrutiny assessment was done. Based on tangible information a *prima facie* case has been made by the assessing officer that income has escaped assessment.
- The assessee has challenged the re-assessment proceeding stating that it is not permissible in law.
- There is no merit in the instant writ petition. Accordingly, it is to be dismissed.