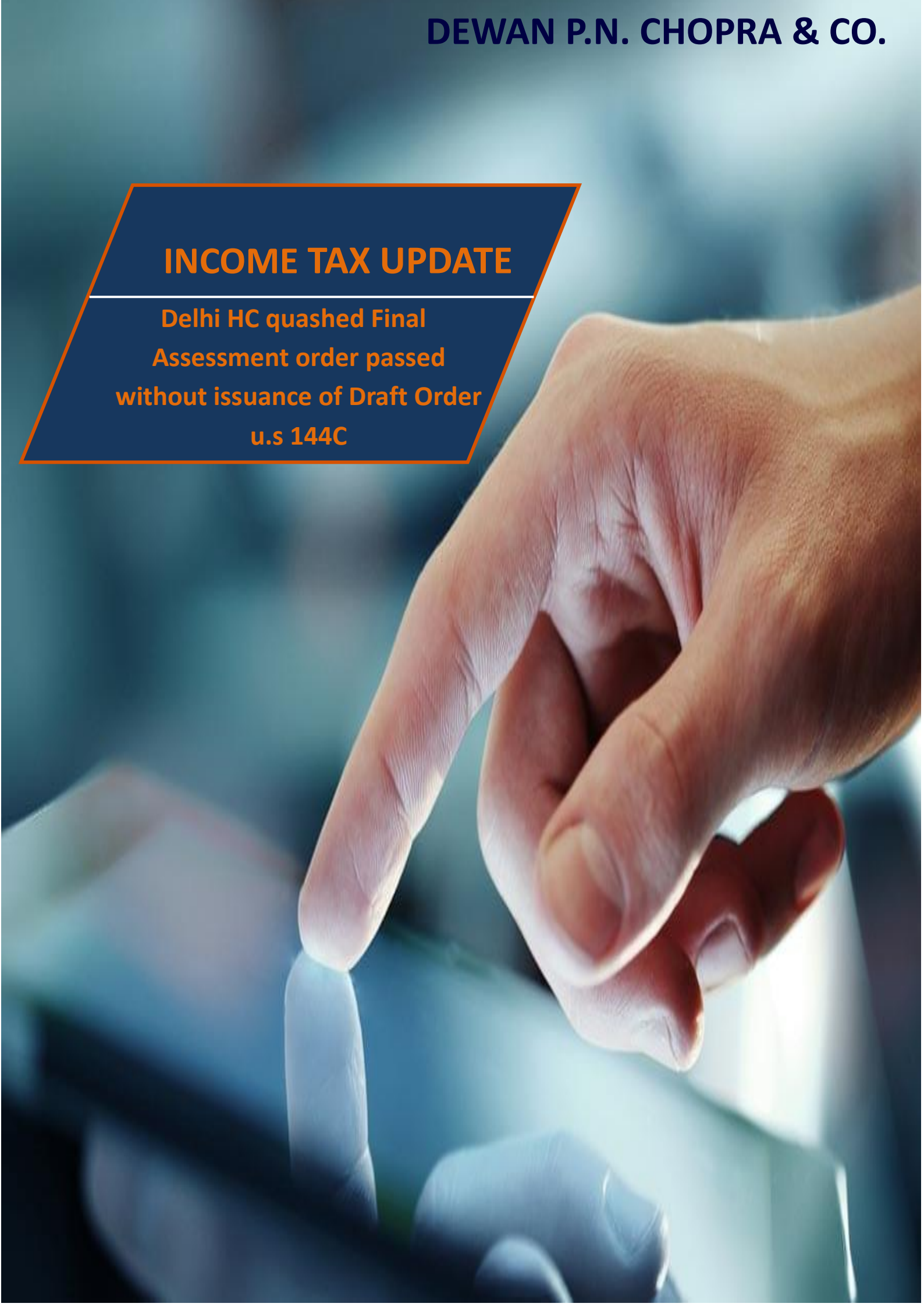


INCOME TAX UPDATE

**Delhi HC quashed Final
Assessment order passed
without issuance of Draft Order
u.s 144C**



Delhi High Court quashed final tax assessment orders that were passed without the issuance of draft assessment orders u.s 144C

In the recent ruling of Hon'ble Delhi High Court (HC) in the case of MICROSOFT INDIA (R&D) PVT. LTD (along with other batch of Writ Petitions including **M/s Ramtech Consulting** etc), the Delhi HC allows batch of writ petitions filed, holds that final assessment order passed without passing draft assessment under Sec. 144C, is untenable.

Delhi HC observes that " *A failure to frame a draft order of assessment not only curtails the right of the assessee to adopt corrective measures, it also deprives it of a salutary right to challenge the draft in terms of the statutory mechanism laid in place.*"

HC further opines that " *The consistent view which this Court appears to have taken in that respect was that a failure to frame an assessment order in draft would clearly be violative of the mandatory prescriptions of Section 144C and the final order of assessment framed in violation thereof liable to be viewed as a nullity.*"

Accordingly, the Delhi HC allows the instant writ petitions and quash the impugned final orders of assessment and all consequential notices of demand and penalty etc.

For details, please refer judgement of Delhi HC <https://bit.ly/3z4udZh>

DISCLAIMER: - The summary information herein is based on Delhi HC ruling in case of MICROSOFT INDIA (R&D) PVT. LTD pronounced on 2nd Sept 2024. While the information is believed to be accurate, we make no representations or warranties, express or implied, as to the accuracy or completeness of it. Readers should conduct and rely upon their own examination and analysis and are advised to seek their own professional advice. This note is not an offer, advice or solicitation. We accept no responsibility for any errors it may contain, whether caused by negligence or otherwise or for any loss, howsoever caused or sustained, by the person who relies upon it.