

Chandra Prabhu International Ltd vs Union Of India And Ors on 21 December, 2021

Author: Manmohan

Bench: Manmohan, Navin Chawla

\$~117 & 118

* IN THE HIGH COURT OF DELHI AT NEW DELHI

+ W.P.(C) 14234/2021 & CM APPLs.44890-891/2021

CHANDRA PRABHU INTERNATIONAL LTD

Through: Mr.Naresh Jain with Mr.Alok Kumar
Advocates.

versus

UNION OF INDIA AND ORS

Through: Mr.Puneet Rai with Ms.Adeeba
Mujahid, Advocates.

AND

+ W.P.(C) 14310/2021 & CM APPLs.45135-136/2021

EKAM LEASING AND FINANCE CO. LIMITED

Through: Mr.Naresh Jain with Mr.Alok Kumar
Advocates.

versus

UNION OF INDIA & ORS.

Through: Mr.Ravi Prakash, CGSC
Ms.Shruti Shiv Kumar,
Agrwal and Mr.Gurtej
Advocates for R-1.
Mr.Puneet Rai and Ms.
Mujahid, Advocates for

CORAM:

HON'BLE MR. JUSTICE MANMOHAN

HON'BLE MR. JUSTICE NAVIN CHAWLA

ORDER

% 21.12.2021 Present writ petitions have been filed challenging the satisfaction notes recorded on 24th March, 2021 as well as notices under Section 153C of the Income Tax Act, 1961 ['Act'] dated 26th March, 2021. Petitioner in W.P.(C) 14234/2021 also challenges the order dated 22nd November, 2021 disposing of its objections.

Learned counsel for the Petitioners states that the impugned satisfaction note recorded on 24th March, 2021 and the impugned notices under Section 153C of the Act dated 26th March, 2021 are time barred and bad in law and the impugned order disposing of the objections raised by the Petitioner in W.P.(C) 14234/2021 dated 22nd November, 2021 is contrary to the provisions of the Act and therefore liable to be quashed.

Learned counsel for the Petitioners states that the proceedings are being initiated much after the time limit for completion of assessment of those proceedings have expired. He submits that Section 153B of the Act provides time limit for completion of search assessments which in the case of the Petitioners shall be twenty one months from the end of the Financial Year in which the search was conducted, i.e., twenty one months from 31st March, 2017 which is 31st December, 2018.

Learned counsel for the Petitioners states that the contention of the Respondents that impugned notices under Section 153C of the Act are within time limit as the proceedings of Ashish Begwani Group is still pending with Income Tax Settlement Commission is without merit, as the time limit for issuance of notice under Section 153C of the Act as envisaged under Section 153B of the Act has no connection whatsoever with the completion of assessment of the searched party under Section 153A of the Act. In support of his submissions he relies upon the judgments of the Supreme Court in Commissioner of Income Tax-III v. Calcutta Knitwears, Ludhiana (2014) 267 CTR (SC) 105 and M/s Super Malls Private Limited v. Principal Commissioner of Income Tax 8, New Delhi, Civil Appeal Nos.2006-2007 of 2020.

Mr. Puneet Rai, who appears for the respondents on advance notice submits that impugned notices are within limitation. He relies upon the judgments of this Court in Principal Commissioner of Income-tax, Central- 3 v. Instronics Ltd., [2017] 82 taxmann.com 357 (Delhi) and Commissioner of Income-tax-7 v. RRJ Securities Ltd., [2015] 62 taxmann.com 391 (Delhi).

After hearing the parties, this Court is of the view that the matters require a detailed hearing.

Issue notice. Mr. Puneet Rai, Advocate for Revenue accepts notice. He prays for and is permitted to file a counter affidavit within four months. Rejoinder affidavit, if any, be filed before the next date of hearing.

Till further orders, the Respondents are restrained from taking any further steps/coercive action pursuant to the notices dated 26th March, 2021 issued by Respondent No.2.

List on 31st May, 2022.

MANMOHAN, J NAVIN CHAWLA, J DECEMBER 21, 2021 AS