

## **M/S Shri Lal Mahal Ltd vs Addl. Commissioner Of Income-Tax ... on 19 February, 2019**

**Author: S. Ravindra Bhat**

**Bench: S. Ravindra Bhat, Prateek Jalan**

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\* IN THE HIGH COURT OF DELHI AT NEW DELHI

+ W.P.(C) 1707/2019

M/S SHRI LAL MAHAL LTD ..... Petitioner

Through: Mr. Salil Kapoor, Mr. Shivansh  
Pandya, Mr. Gurmehar Sistani &  
Mr. Ananya Kapoor, Advs.

versus

ADDL. COMMISSIONER OF INCOME-TAX

SPECIAL RANGE-8 & ANR. .... Respondents

Through: Mr. Zoheb Hossain, Sr. Std. Counsel  
with Mr. Vivek Gurnani, Adv. with  
Mr. Sunil Kumar Yadav, Assessing  
Officer

CORAM:

HON'BLE MR. JUSTICE S. RAVINDRA BHAT

HON'BLE MR. JUSTICE PRATEEK JALAN

ORDER

% 19.02.2019 CM Appl. 7826/2019 (exemption) Exemption allowed, subject to all just exceptions.  
The application is disposed of.

W.P.(C) 1707/2019 Issue notice. Mr. Zoheb Hossain, Senior Standing Counsel accepts notice.

1. The assessee/petitioner's grievance is that its financial constraints, have resulted in its inability to satisfy the demand, under Section 221 of the Income Tax Act for various assessment years, from 2010-11 to 2016-17. It is contended that the petitioner has been compelled to receive amounts in the course of its business and deposit them in a Trust and Retention Account (TRA) to be disbursed under strict supervision of an auditor appointed by a consortium of secured creditors. In short, it states that it is unable to satisfy even a portion of the Revenue's demand for various years. During the course of hearing, it is submitted that the assessee's appeal for the concerned years are pending. It was submitted that even its application under Section 220(6) before the Principal Commissioner is pending for stay of demand and has not yet been decided. In the meanwhile, its trade debtors and others have been issued notices under Section 226(3) of the Act.

2. After hearing counsel for the parties, this Court is of the opinion that it would be in overall

interest of all the parties that the CIT(A) who is in seisin of all the appeals for the concerned assessment years, should complete the hearing and pass final orders within six weeks from today.

3. The AO who is present in the Court submits that the CIT(A) had sought remand report on certain aspects which would furnish within a week. In these circumstances, the CIT(A) is directed to complete the hearing and pass final orders, within the time indicated i.e. six weeks.

4. As far as the question of stay of demand is concerned, the Court is of the opinion that Principal Commissioner of Income Tax (PCIT) should first decide the application pending under Section 220(6) within ten days. During that time, the notices under Section 226(3) in question shall not be proceeded with and no coercive action shall be taken.

5. The writ petition is disposed of.

6. The copy of the order be given dasti under signatures of the Court Master.

S. RAVINDRA BHAT, J PRATEEK JALAN, J FEBRUARY 19, 2019 „pv