

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION**

WRIT PETITION NO. 779 OF 2018

Maharashtra State Financial Corporation .. Petitioner

v/s.

Union of India & Ors. .. Respondents

Mr. Parag Vyas a/w Mr. Nirav Shah i/b Little & Co. for the petitioner
Mr. Suresh Kumar for the respondent

**CORAM : M.S. SANKLECHA &
SANDEEP K. SHINDE, J.J.**

DATED : 23rd MARCH, 2018.

PC.

1. This petition under Article 226 of the Constitution of India challenges the order dated 19th February, 2018 passed by the Deputy Commissioner of Income Tax. The impugned order passed after discussion with the Principal Commissioner of Income Tax partially rejected the petitioner's application for stay of a demand of Rs.5,80,29,696/- under Section 220(6) of the Income Tax Act,1961 (the Act) by directing the petitioner to deposit 20% thereof.

2. This deposit of 20% would lead to stay of the balance amount of penalty imposed by the order dated 30th June, 2017 under Section 271(1)(c) of the Act in respect of Assessment Year 2014-15. Thus, in

terms of the above impugned order the petitioner had to deposit Rs.1,16,05,939/- i.e. 20% of Rs.5,80,29,698/-.

3. The petitioner had through its Managing Director on 6th March, 2018 given an undertaking to the Principal Commissioner of Income Tax that the 20% of Rs.5,80,29,698/- i.e. Rs.1,16,05,939/- would be paid to the Revenue by 19th March, 2018. However, the petitioner could not honour its commitment.

4. In the above view, the petitioner seeks extension of time to fulfill its above undertaking to the Principal Commissioner of Income Tax. In support, the affidavit of Mr. P.A. Gaikwad, the Chief Administrative Officer, dated 23rd March, 2018 has been tendered in Court on behalf of the petitioner. The same is taken on record. In the affidavit it is stated that out of Rs.1,16,05,939/- (being 20% of penalty of Rs.5,80,29,698/-), the petitioner has already paid a sum of Rs.10 lakhs. Further, the affidavit undertakes to pay sum of Rs.25 lakhs on or before 26th March, 2018 and the balance amount of Rs.81,05,939/- would be paid on or before 15th April, 2018. Mr. P.A. Gaikwad, the deponent of the affidavit is in Court and the statement made by him in the affidavit is accepted. The respondents are directed not to adopt any coercive

action till 16th April, 2016 for recovery of its dues. It is made clear to the petitioner that no further extension of time to honour its commitment to the Revenue will be granted.

5. Therefore, the petition stands disposed of in above terms. No order as to costs.

(SANDEEP K. SHINDE, J.)

(M.S. SANKLECHA, J.)