IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

184

2024:PHHC:038606-DB
CWP-6536-2024
Date of Decision:- 18.03.2024

M/s Liberty Shows Ltd. through Director Shammi Bansal
...Petitioner

Vs.

Ld.Chairman Central Board of Direct Taxes, North Block, New Delhi and others
...Respondents

CORAM:- HON'BLE MR. JUSTICE SANJEEV PRAKASH SHARMA
HON'BLE MRS.JUSTICE SUDEEPTI SHARMA

Present: Dr.Rakesh Gupta, Advocate,
Mr.Sunil K.Mukhi, Advocate,
Mr.Satish Goel, Advocate,
Mr.Somil Aggarwal Advocate
for the petitioner

SANJEEV PRAKASH SHARMA, J. (Oral)

Heard learned counsel for the petitioner at length individually as well as together.

After hearing the arguments at length, the main issue raised by learned counsel for the petitioner is that after having created a Forum for examining the grievances of the assessee against the Assessment Officer by a Local Committee, in cases, which are of High-Pitch scrutiny assessment, the respondents' authority cannot deprive an assessee by rejecting their claim stating that the assessment does not fall within the ambit of High-Pitch assessment and without giving any reason. Learned counsel has taken this Court to the orders passed by the Allahabad High Court as well as to the Standard Operating Procedure (SOP) laid down by the Principal Chief Commissioner which provides the manner and method by which the Committee shall examine the grievance of the petitioner to submit that the respondents could have rejected their grievance petition against the High-Pitch scrutiny assessment. The petitioner filed a grievance petition stating that the Assessing Officer has made a High-Pitch assessment on 05.04.2023. The office of the Principal Chief Commissioner, Income Tax however, vide order dated 02.11.2023 communicated that Local Committee did not find the case to be of High-Pitch scrutiny assessment. A written petition was filed which was also decided on 13.12.2023 and pointed out that the Local Committee had decided the issue after considering the submissions and had communicated the decision that the same was not a case of High-Pitch scrutiny assessment and also held that the Local Committee cannot be treaded as an alternative forum to dispute resolution/appellate proceedings.

The petitioner has already filed an appeal against the assessment order. At the same time, they have also moved an application before the Chairman, CBDT regarding their grievance that the Local Committee should have given an opportunity of hearing to them.

We have considered the submissions and also examined the SOP issued with regard to examining of grievance petition by the Local Committee which was constituted in terms of instructions No.17/2015 dated 09.11.2023.

When the grievance is raised by any assessee against the assessment order, revised SOP lays down how the action is to be taken by the Local Committee on the grievance petition which reads as under:-

> *"D. Action to be taken by the Local Committees on grievance petitions:*

> *(i) A grievance petition received by the Local Committee would be acknowledged. A separate record would be maintained for dealing with such petitions by the Member-Secretary.*
> *(ii) Members –Secretary on receipt of taxpayers' grievances of High-Pitched Assessment, will forward the same to the Chairman and Members of the Local Committee within three days of receipt of the grievance.*
> *(iii) The grievance petition received by Local Committee would be examined by it to ascertain whether there is a prima facie case of High-Pitched Assessment, non-observance of principles of natural justice, non-application of mind or gross negligence of Assessing Officer/Assessment Unit.*
> *(iv) The Local Committee may call for the relevant assessment records to peruse from the jurisdictional Pr.CIT concerned.*
> *(vi) The Local Committee may seek inputs from the Directorate of Systems (ITBA/e-filing/CPC-ITR, CPC-TDS, etc.), on Systems-related issues emanating from the grievance/matter under consideration, if considered necessary.*
> *(vii) Local Committee would ascertain whether the addition(s) made in assessment order is/are not backed by any sound reason or logic, the provisions of law have grossly been ignored. The Committee would also take into consideration whether principles of natural justice have been followed by the Assessing Officer/Assessment Unit. Thereafter, Local Committee shall submit a report treating the order as High-Pitched/Not High Pitched, along with the reasons, to the Prc.CCIT concerned.*
> *(viii) The Local Committee shall endeavor to dispose of each grievance petition within two months from the end of the month in which such petition is received by it.*
> *(iv) Member-Secretary will ensure that the meetings of the Local Committees are held at least twice in every months during the pendency of the grievance petitions and that timely reports are submitted to the Prc.CCIT concerned."*

A perusal of the aforesaid provisions shows that while examining, the Local Committee has to submit a report when the order is to be treated as High-Pitch assessment or not. The petitioner has already been conveyed vide impugned order dated 02.11.2023 that the Local Committee did find their case to be of High-Pitch assessment. The question of giving an opportunity of hearing to the petitioner by the Local Committee, however, does not arise as there is no such provision laid down in the SOP. In view thereof, the claim of the petitioner that they should have been heard by the Local Committee is without basis. It may be noticed that if the revised SOP issued on 23.04.2022, the Director, CBDT has also noticed that the purpose of constitution of Local Committee is to be effectively and efficiently dealt with the genuine grievance of the tax payers and help in supporting environment where the assessment order has been passed in a fair and reasonable manner. It is to be noted that the Local Committee cannot be treated an alternative forum to dispute resolution/proceedings. Thus, an assessee cannot force that his case must be necessarily examined and decided by the Local Committee itself even if the Local Committee reached to the conclusion that it is not a case of High-Pitch assessment.

Having reached to the aforesaid conclusion, we do not find any reason to entertain this writ petition and leave it open to the petitioner to raise all its arguments with regard to challenge the assessment order before the appellate authority.

Writ petition fails and is accordingly, dismissed.

(SANJEEV PRAKASH SHARMA)
JUDGE

18.03.2024 **(SUDEEPTI SHARMA)**
sd **JUDGE**

Whether speaking/reasoned: Yes/No.
Whether reportable: Yes/No.