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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

1. CWP No. 25150-2016

M/s Jindal Steel and Power Ltd. ....Petitioner

vs.

The Dy. Commissioner of Income Tax,
Circle -1 (1), Gurgaon and anr. ...Respondents

2. CWP No. 26688-2017

M/s Jindal Steel and Power Ltd. ....Petitioner

vs.

The Dy. Commissioner of Income Tax,
Circle -1 (1), Gurgaon and anr. ...Respondents

3. CWP No. 22493-2018

M/s Jindal Steel and Power Ltd. ....Petitioner

vs.

The Dy. Commissioner of Income Tax,
Circle -1 (1), Gurgaon and anr. ...Respondents

4. CWP No. 22495-2018

M/s Jindal Steel and Power Ltd. ....Petitioner

vs.

The Dy. Commissioner of Income Tax,
Circle -1 (1), Gurgaon and anr. ...Respondents

Date of Decision:-22.04.2024

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

Present: Mr. Salil Kapoor, Advocate,
Mr. Tarun Chanana, Mr. Sumit Lakhandani &
Ms. Ananya Kapoor, Advocates
for the petitioner (s)

Mr. Varun Issar, Jr. Panel counsel
for the respondents-department.

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SANJEEV PRAKASH SHARMA, J. (Oral)

1. This order shall dispose of four connected writ petitions as the issue involved in all the writ petitions is common.

2. Both the counsels are *ad idem* that the issue raised by the assessee in the above petitions is finalised by this Court in ***Commissioner of Income Tax, Panchkula vs. Micro Instruments Co***, (2016) 388 ITR 46 (Punjab and Haryana), wherein this Court held that separate books of accounts for different units of assessee for a particular assessment year are not required to be maintained, as per statute. The said position of law has been settled by this Court in ***Micro Instruments case (supra).***

3. Learned counsel for the revenue/respondent submits that the law as settled by this Court in ***Micro Instruments case (supra)*** has been duly accepted by the department and has thus attained finality.

4. In the present case, the proceedings of the assessment for the year 2009-2010 and 2010-11 were initiated under Section 148 of the Income Tax Act, 1961 solely on the ground that separate books of accounts had not been maintained for different units. On the said basis, the penalty was imposed upon the petitioner-company.

5. Now, the petitioner has preferred four different writ petitions. In CWP No. 25150-2016, the petitioner has challenged the notice dated 31.03.2016 issued under Section 148 of the Act for the assessment year 2009-2010 and order dated 11.11.2016 disposing of the legal objections filed by the petitioner.

6. In CWP No. 26688-2017, the petitioner has challenged the

notice dated 22.03.2017 issued under Section 148 of the Act for the assessment year 2010-2011 and order dated 07.11.2017 disposing of the legal objections raised by the petitioner.

7. In CWP No. 22495-2018, the petitioner has challenged the order dated 30.06.2017 passed under Section 271 (1) (C) of the Act, notice dated 30.06.2017 issued under Section 156 of the Act for the assessment year 2009-2010 and order dated 30.12.2016 imposing penalty.

8. In CWP No. 22493-2018, the petitioner has challenged the order dated 29.06.2018 passed under Section 271 (1) (C) of the Act, notice dated 29.06.2018 issued under Section 156 of the Act for the assessment year 2010-2011 & order dated 28.12.2017 imposing the penalty.

9. Learned counsel for the petitioner (s) submit that this Court had passed order dated 06.12.2016 staying the implementation of the reassessment order, if any. However, the respondents proceeded to pass the order and imposed penalty, which could not have been done, in terms of Section 275 of the Act.

10. As we have already noticed the law laid down in ***Micro Instruments case (supra),*** stands crystalized. Keeping in view thereof, the entire proceedings initiated under Section 148 of the Act for the assessment years 2009-2010 and 2010-2011, whereby re-assessment was done and penalty was imposed, cannot be allowed to be sustained. The sole basis for initiating the proceedings were on the ground on non-maintaining of separate books of accounts for different units. Since the basis of the proceedings initiated is found to be illegal, all the subsequent actions would also stand vitiated in law and would have to go.

11. In view of the above, the orders impugned as noticed here-in-

above in the various writ petitions, are liable to be quashed and set aside. We accordingly set aside them. The re-assessment orders and penalties imposed would also stands set aside. If the petitioner (s) has deposited any amount or any further action has been taken on the basis thereto, the same would also stand vitiated.

12. Accordingly, the writ petitions stand allowed

13. No order as to costs.

14. Pending application (s) if any, also stand disposed of.

(SANJEEV PRAKASH SHARMA)
JUDGE

April 22, 2024 **(SUDEEPTI SHARMA)**
G Arora **JUDGE**

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