$~55

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ W.P.(C) 15251/2024, CM APPL. 64036/2024 & CM APPL. 64037/2024

KILLA FINANCIAL SERVICES PRIVATE LIMITED .....Petitioner

Through: Mr. Bhupinder Jit Kumar, Advocate.

versus

DEPUTY COMMISSIONER OF INCOME-TAX, CENTRAL CIRCLE-25, DELHI & ORS. .....Respondents

Through: Mr. Siddhartha Sinha, Senior Standing Counsel for Revenue.

CORAM:
HON'BLE MR. JUSTICE VIBHU BAKHRU
HON'BLE MS. JUSTICE SWARANA KANTA SHARMA

O R D E R

% **29.10.2024**

1. The petitioner has filed the present petition, impugning a notice dated 19.03.2024, issued by the Assessing Officer (hereafter *the AO*), under Section 148 of the Income Tax Act, 1961 (hereafter *the Act*), for the assessment year (AY) 2021-22.

2. The learned counsel appearing for the petitioner has assailed the impugned notice essentially on two grounds. First, he submits that the annexure to the impugned notice indicates that the AO has issued the said notice, based on the information received in accordance with risk management strategy formulated by the Central Board of Direct Taxes (hereafter *the CBDT*), and therefore, the condition as stipulated in

This is a digitally signed order.
The authenticity of the order can be re-verified from Delhi High Court Order Portal by scanning the QR code shown above.
The Order is downloaded from the DHC Server on 11/11/2024 at 11:31:38

Explanation 1 to Section 148 of the Act is satisfied. He submits that in view of the aforesaid, the AO could not take recourse to clause (iv) of Explanation 2 to the proviso to Section 148 of the Act, as the same are mutually exclusive. Second, he submits that no approval was obtained under clause (c) of proviso to Section 148A of the Act and therefore the provisions of Section 148A of the Act were not excluded.

3. None of the aforesaid contentions are merited. The fact that the AO had received information, in accordance with the risk management strategy formulated by the CBDT, did not oust the provisions of Explanation 2(iv) to the proviso to Section 148 of the Act. In the present case, a search was conducted on Galaxy Group of Companies, under Section 132 of the Act. It is the AO's case that during course of the search, certain books of accounts and other documents were found which contained information pertaining to the assessee. The said fact does not exclude the possibility of the AO also obtaining information in accordance with the risk management strategy.

4. The second contention that the approval under clause (c) of proviso to Section 148A of the Act has not been obtained and therefore, the provisions of Section 148A of the Act are not excluded, is also unmerited. Concededly, the AO had obtained the approval of the concerned Principal Commissioner of Income Tax (hereafter *the PCIT*) for issuance of the impugned notice. The requirement of approval from the specified authority (as referred to in Section 151 of the Act) under Section 148 of the Act is in similar terms as contained in clause (c) of proviso to Section 148A of the Act. The contention that the AO is required to secure two identical approvals, is clearly insubstantial.

This is a digitally signed order.
The authenticity of the order can be re-verified from Delhi High Court Order Portal by scanning the QR code shown above.
The Order is downloaded from the DHC Server on 11/11/2024 at 11:31:38

5. Thus, the petition is unmerited and is accordingly dismissed.

VIBHU BAKHRU, J

SWARANA KANTA SHARMA, J

OCTOBER 29, 2024/*at*

Click here to check corrigendum, if any

This is a digitally signed order.
The authenticity of the order can be re-verified from Delhi High Court Order Portal by scanning the QR code shown above.
The Order is downloaded from the DHC Server on 11/11/2024 at 11:31:38