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

WRIT PETITION NO.5315 OF 2024

Bhupendra C. Dalal .. Petitioner

Versus

The Chief Commissioner of Income Tax,
Central-2, Mumbai & Ors. .. Respondents

Mr.Rafique Dada, Senior Advocate a/w Vipul B. Joshi, Prashant Ghumare i/b Sruti Kalyanikar, Advocates for the Petitioner.

Mr.Vipul Bajpayee, Advocate for the Respondent.

CORAM : B. P. COLABAWALLA &
AMIT S. JAMSANDEKAR, JJ.
DATE : SEPTEMBER 30, 2025

P. C.

1. Mentioned. With the consent of the parties, taken out of turn.

2. The above Writ Petition is filed *interalia* challenging the impugned order dated 20th July 2023 passed by the Chief Commissioner of Income Tax (Respondent No.1) rejecting the Application filed by the Petitioner under Section 220(2A) of the Income Tax Act, 1961. This Application sought a waiver of interest levied by the Income Tax Department. At the time when the impugned order was passed, the interest levied on the Petitioner was approximately Rs.25.52 Crores. It transpires that after the passing of this order, the interest amount has been reduced to Rs.19.13 Crores pursuant to a Rectification Order passed by the Deputy Commissioner of Income Tax dated 13th August 2024.

3. We had heard this Petition at great length on 8th September 2025. On that day we passed a detailed order wherein we recorded that we are, *prima facie,* satisfied that Respondent No.1 committed certain errors in rejecting the Application filed by the Petitioner. We, therefore, asked the advocate for the Revenue to seek instructions from the concerned officer.

4. Today when the matter is called out, the learned advocate appearing on behalf of the Revenue, on instructions, states that the impugned order dated 20th July 2023 can be set aside and the matter be remanded back to the 1st Respondent for a fresh hearing on the Application filed by the Petitioner under Section 220(2A) of the IT Act.

5. Considering the fair stand taken by the Revenue, we hereby set aside the impugned order dated 20th July 2023. We also now direct that the 1st Respondent shall hear the Application filed by the Petitioner under Section 220(2A) of the IT Act afresh after giving a hearing to the Petitioner. We must clarify that the Petitioner is free to produce whatever material it wants in support of their Application for waiver of interest.

5. We initially fix the matter before the 1st Respondent on 6th November 2025 when the Petitioner will appear before the 1st Respondent. The 1st Respondent shall thereafter give all further directions as to how the Application filed by the Petitioner is to proceed. We would request the 1st Respondent to dispose of the Application filed by the Petitioner within a period of 6 months from today. We again reiterate that before any order is passed by the 1st Respondent he shall give a personal hearing to the Petitioner and allow him to produce whatever documents he so chooses in support of his Application seeking waiver of interest. Only thereafter will the 1st Respondent pass a speaking order. The Petitioner shall give full co-operation to the 1st Respondent in disposing of his Application filed under Section 220(2A) of the IT Act.

6. The Writ Petition is disposed of in the aforesaid terms. However, there shall be no order as to costs.

7. This order will be digitally signed by the Private Secretary/ Personal Assistant of this Court. All concerned will act on production by fax or email of a digitally signed copy of this order.

[AMIT S. JAMSANDEKAR, J.] **[B. P. COLABAWALLA, J.]**