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

\+ W.P.(C) 2128/2023

PACE INDUSTRIES PRIVATE LIMITED .....Petitioner

Through: Mr. Ajay Vohra, Sr. Adv. with Mr. Rohit Jain, Mr. Aniket D. Agrawal and Ms. Manisha Sharma, Advs.

versus

THE INCOME TAX OFFICER , WARD 19(3) AND ORS. .....Respondents

Through: Mr. Puneet Rai, SSC with Mr. Ashvini Kumar, Mr. Rishabh Nangia and Mr. Gibran Naushad, Advs.

CORAM:
HON'BLE MR. JUSTICE V. KAMESWAR RAO
HON'BLE MR. JUSTICE VINOD KUMAR

ORDER

% **12.08.2025**

1. This petition has been filed with the following prayers:

> *"(I) Issue a writ in the nature of mandamus/ certiorari or any other appropriate writ, order or direction for quashing (a)* ***notice dated 29.06.2021*** *issued under section 148, as it existed prior to substitution vide Finance Act, 2021 w.e.f. 01.04.2021, (b)* ***letter/notice dated 20.05.2022, (c) order dated 28.07.2022*** *passed by Respondent No.1 under section 148A(d), (d)* ***notice dated 28.07.2022*** *issued under section 148 of the Act, (e)* ***impugned order dated 11.01.2023*** *disposing off the objections, in the case of the Petitioner for assessment year 2015-16, and all proceedings/ actions consequent thereto;*
> *(II) stay the reassessment proceedings initiated under sections 147/148 vide the impugned notice dated 28.07.2022 issued under section 148 of the Act, and/or any other proceedings initiated thereunder for the assessment year 2015-16, during pendency of the present petition;*
> *(III) grant ad-interim ex-parte stay in terms of prayer (IV) above;*
> *(IV) call for the records of the case from the Respondents;"*

2. The submission of Mr. Ajay Vohra, learned senior counsel for the petitioner is that the order dated 28.07.2022 passed by the respondent no. 1 under section 148A(d) and also notice dated 28.07.2022 issued under section 148 of the Income Tax Act, 1961 are bad in law as they are beyond the period of limitation as prescribed under section 149 of the Act as amended by the Finance Act which came into effect on 01.04.2021.

3. According to him, concedingly, the impugned notice and impugned order have been passed post 01.04.2021 and as such, the same need to be set aside.

4. Mr. Ajay Vohra also submits that the issue is no more *res integra* as the same has been decided by various High Courts including that of Bombay High Court and of Rajasthan and Special Leave Petition filed by the Revenue Department against the order of Bombay High Court, has been dismissed. He has also drawn our attention to ***Mectech knitfabs Pvt. Ltd. vs. DCIT Circle 16(1) New Delhi & Anr.W.P.(C) 1261/2023***, a judgment passed by this Court wherein paragraphs 11 onwards, this Court has stated as under :

> *"11. It is relevant to refer to paragraph 19(e) and 19(f) from the decision of the Supreme Court in Union of India and Ors. v. Rajeev Bansal (supra), which sets out the concession as made on behalf of the Revenue: "e. The Finance Act 2021 substituted the old regime for re-assessment with a new regime. The first proviso to Section 149 does not expressly bar the application of TOLA. Section 3 of TOLA applies to the entire Income-tax Act, including Sections 149 and 151 of the new regime. Once the first proviso to Section 149(1)(b) is read with TOLA, then all the notices issued between 1 April 2021 and 30 June 2021 pertaining to assessment years 2013-14, 2014-15, 2015-16, 2016-17, and 2017-18 will be within the period of limitation as explained in the tabulation below:*

Assessment year	Within 3 Years	Expiry of Limitation read with TOLA for (2)	Within six Years	Expiry of Limitation read with TOLA for (4)
(1)	(2)	(3)	(4)	(5)
2013-2014	31-3-2017	TOLA not applicable	31-3-2020	30-6-2021
2014-2015	31-3-2018	TOLA not applicable	31-3-2021	30-6-2021
2015-2016	31-3-2019	TOLA not applicable	31-3-2022	TOLA not applicable
2016-17	31-3-2020	30-6-2021	31-3-2023	TOLA not applicable
2017-2018	31-3-2021	30-6-2021	31-3-2024	TOLA not applicable

f. The Revenue concedes that for the assessment year 2015-16, all notices issued on or after 1 April 2021 will have to be dropped as they will not fall for completion during the period prescribed under TOLA;"

12. *In view of the above concession, the impugned notice and the proceedings relating thereto are required to be set aside. We may also note the decision of the Supreme Court in* ***Deepak Steel and Power Ltd. v. Central Board of Direct Taxes and Ors.: Civil Appeal No.5177/2025, decided on 02.04.2025****. The said appeal arose from orders passed by the Hon'ble High Court of Orissa and Cuttack declining to entertain batch of petitions filed by the Assessees. The attention of the Supreme Court was drawn to the concession made on behalf of the Revenue in* ***Union of India & Ors. v. Rajeev Bansal*** *(supra) and noting the same, the Supreme Court allowed the appeals. The relevant extract of the said decision is set out below:*

> *"4. The learned counsel appearing for the revenue with his usual fairness invited the attention of this Court to a three judge bench decision of this Court in Union of India and Ors. v. Rajeev Bansal, reported in 2024 SCC OnLine SC 2693, more particularly, paragraph 19(f) which reads thus:-*
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> *"19. (f) The Revenue concedes that for the assessment year 2015-2016, all notices issued on or after April 1, 2021 will have to be dropped as they will not fall for completion during the period prescribed under the Taxation and other Laws(Relaxation and Amendment of Certain Provisions) Act, 2020."*
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> *5. As the revenue made a concession in the aforesaid decision that is for the assessment year 2015-2016, all notices issued on or after 1st April, 2021 will have to be dropped as they would not fall for completion during the period prescribed under the taxation and other laws (Relaxation and Amendment*

of certain Provisions Act, 2020). Nothing further is required to be adjudicated in this matter as the notices so far as the present litigation is concerned is dated 25.6.2021.

6. *In view of the aforesaid, in such circumstances referred to above the original writ petition nos.2446 of 2023, 2543 of 2023 and 2544 of 2023 respectively filed before the High Court of Orissa at Cuttack stands allowed.*

13. *The notice dated 26.07.2022 issued under Section 148 of the Act stands quashed and set aside. Concededly, the controversy is covered in favour of the petitioner by the decision of this court in* ***Makemytrip India Pvt. Ltd. v. Deputy Commissioner of Income Tax Circle 16 (1) Delhi & Anr.: Neutral Citation No.: 2025:DHC:1892-DB****.*

14. *The petition is, accordingly, allowed and all proceedings initiated pursuant thereto are set aside.*

15. *The next date of hearing, that is, 16.09.2025, stands cancelled."*

5. Whereas, Mr. Puneet Rai, learned counsel for respondents do not contest the applicability of the judgment in the case of ***Union of India and Ors. v. Rajeev Bansal: 2024 INSC 754*** as followed by this Court in ***Mectech knitfabs Pvt. Ltd. vs. DCIT Circle 16(1) New Delhi & Anr. W.P.(C) 1261/2023.***

6. If that be so, the impugned order dated 28.07.2022 passed under section 148A (d) and also notice dated 28.07.2022 issued under section 148 of the Act, so also the proceedings initiated pursuant thereto are set aside.

7. The present petition is disposed of, as allowed.

8. All applications have become infructuous.

V. KAMESWAR RAO, J

VINOD KUMAR, J

AUGUST 12, 2025

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