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

\+ **W.P.(C) 3333/2025 & CM APPL. 15768-69/2025**

RUBBER SPARES INDUSTRIES INDIA PRIVATE LIMITED
.....Petitioner

Through: Mr Asheesh Jain, Sr Advocate with Mr Shahrukh Ejaz, Mr Praveen Jain, Ms Devika Samant, Advocates.

versus

PRINCIPAL COMMISSIONER OF INCOME TAX DELHI7
.....Respondent

Through: Mr Sunil Aggarwal, SSC, Mr Shivansh B Pandya, Mr Viplav Acharya, Ms Priya Sarkar, JSCs and Mr Utkarsh Tiwari, Advocate.

CORAM:
HON'BLE MR. JUSTICE VIBHU BAKHRU
HON'BLE MR. JUSTICE TEJAS KARIA

ORDER
% **18.03.2025**

1. The petitioner has filed the present petition, *inter alia,* impugning an order dated 06.02.2024 [**the impugned order**] passed by the Principal Commissioner of Income Tax **[the PCIT]** under Section 119(2)(b) of the Income Tax Act, 1961 [**the Act**] whereby the petitioner's application for condonation of delay in filing income tax return for the assessment year [**AY**] 2021-22 was dismissed.

2. The due date for filing the return as fixed in terms of the circular bearing no. 17/2021 issued by Central Board of Direct Taxes was 15.02.2022. However, the said return was not filed within the extended time as stipulated.

3. Mr Jain, learned senior counsel appearing for the petitioner [hereafter **the assessee**] states that the said return was filed along with the assessee's application dated 08.11.2022 seeking condonation of delay in filing the said return. It is the assessee's case that there were disputes between the Directors of the assessee company, which were ultimately resolved some time in 12.08.2022. It is stated that because of the *inter se* disputes the final accounts of the assessee company could not be audited and the same was signed on 12.08.2022. It is stated that the relevant documents for filing the said returns were, thus, made available on the said date.

4. Learned PCIT was not persuaded to accept that the assessee had presented any case of genuine hardship, which would warrant condoning the delay in filing the return for the AY 2021-22.

5. Learned PCIT had also noted that the copy of the audit report was not filed by the assessee. Additionally, the assessee has also not filed copy of the computation of income for AY 2021-2022. More importantly, the learned PCIT had noted that the assessee had continued carrying on its business. In the given circumstances, the learned PCIT concluded that there was no genuine hardship which prevented the assessee company in filing the return of income in terms of the provisions of the Act.

6. Mr. Jain, learned senior counsel appearing for the petitioner assailed the impugned order essentially on the ground that the learned PCIT had not considered the material placed on record. He contended that the material placed on record established that the assessee's reason for not filing the return on time was account of genuine hardship. On a pointed query of the court as to the material, which was not considered, he referred to the GST registrations of the company. He submitted that the said GST registrations

were bifurcated unit wise and three separate registrations were obtained by the assessee company in respect of separate units. He submits that this was on account of a broad division of businesses agreed to between the directors or the assessee company. Additionally, he submitted that in the application, the assessee had also mentioned that the directors of the company had approached the assessee's banker to bifurcate the overdraft limits. He states that the aforesaid documents clearly established the assessee's case that there were *inter se* disputes between the directors of the assessee company, which prevented the assessee from filing the return within time.

7. The learned PCIT rejected the said explanation regarding *inter se* disputes between the directors of the assessee company being a genuine cause preventing the filing of the return as the said directors were themselves responsible for filing the returns.

8. We find no infirmity in the impugned order. Clearly, the persons who are responsible for filing return cannot claim that their *inter se* disputes had prevented them in doing so.

9. Admittedly, none of the directors had instituted any action in any Court of law for compelling the other directors for yielding the information that was required by them to file the returns within the stipulated period.

10. It is difficult to accept that the *inter se* disputes between the directors of the company, who were themselves responsible for filing the return, could be considered as a genuine hardship warranting condonation of delay in filing the return. The provision under Section 119(2) of the Act intended to address genuine hardships and exigencies, which are difficult, if not impossible, to overcome. The power is required to be exercised only in cases, where the same is necessary.

11. The petition is unmerited and, accordingly, dismissed. Pending applications also stand disposed of.

VIBHU BAKHRU, J

TEJAS KARIA, J

MARCH 18, 2025

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<u>*Click here to check corrigendum, if any*</u>