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

\+ W.P.(C) 10045/2021

GOYAL MG GASES PVT LTD .....Petitioner

Through: Mr. Simran Mehta, Mr. Ajay Pal Singh, Mr. Amit Ranjan Singh and Mr. Giridhar Thakur, Advs.

versus

THE PRINCIPAL CCIT CCA DELHI & ORS. .....Respondents

Through: Mr. Sanjay Kumar, SSC along with Ms. Monica Benjamin & Ms. Easha Kadian, JSCs.

CORAM:
HON'BLE MR. JUSTICE YASHWANT VARMA
HON'BLE MR. JUSTICE HARISH VAIDYANATHAN SHANKAR

O R D E R

% 06.02.2025

1. This matter has been taken up today as 05 February 2025 was declared a holiday.

2. The writ petitioner is aggrieved by the order of 12 January 2021 pursuant to which its application for compounding referable to Section 279(2) of the Income Tax Act, 1961 ["**Act**"] has come to be rejected.

3. As would be evident from a reading of the impugned order, it is apparent that the application came to be rejected solely on the ground of the petitioner having been convicted in terms of a judgment dated 27 March 2019 passed by the ACMM, Special Acts, Central District.

4. The fact that the aforesaid order of conviction held the field on the date when the impugned order was passed is not disputed. What the petitioner, however, alludes to is the order dated 25 September 2023 passed by the Sessions Judge, Central in a criminal appeal pursuant to which the judgment of conviction came to be set aside.

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5. In terms of the aforesaid judgment passed by the Sessions Judge, the matter has been remanded for the offense being tried afresh. It is in the aforesaid backdrop that learned counsel for the writ petitioner submits that the ineligibility which is spoken of in Section 279(2) of the Act does not exist today.

6. Ms. Benjamin, learned counsel appearing for the respondents, however, submits that since undisputedly on the date when the application for compounding came to be rejected, the order of conviction held the field, no interference is warranted.

7. In our considered opinion, since the order of conviction itself stands effaced today pursuant to the judgment handed down by the Additional Sessions Judge-2 (SFTC), Central, Tis Hazari, the right of the petitioner to apply for compounding would clearly stand revived.

8. We accordingly dispose of the instant writ petition by according liberty to the writ petitioner to apply for compounding afresh. Any such application that may be made shall be examined by the competent authority bearing in mind the judgment dated 25 September 2023 stated to have been passed in the criminal appeal and subject to due verification of the status of proceedings before the Trial Judge pursuant to the order of remand which was framed.

9. All rights and contentions of respective parties are kept open.

YASHWANT VARMA, J.

HARISH VAIDYANATHAN SHANKAR, J.

FEBRUARY 6, 2025/neha

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