CNR No: PHHC011216552026
2026:PHHC:204587-DB

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CWP No.23027 of 2026 (O&M)

Orange Business Services India Solutions Pvt. Ltd.

.....Petitioner

Versus

Assistant Commissioner of Income Tax, Circle 3(1), Gurgaon and others

.....Respondents

1.	The date when the judgment is reserved	11.11.2026
2.	The date when the judgment is pronounced	20.11.2026
3.	The date when the judgment is uploaded on the website	20.11.2026
4.	Whether only operative part of the judgment is pronounced or whether the full judgment is pronounced	Full
5.	The delay, if any, of the pronouncement of full judgment, and reasons thereof	Not applicable

CORAM : HON'BLE MR. JUSTICE DEEPAK SIBAL

HON'BLE MR. JUSTICE SUNISH BINDLISH

Argued by: Ms. Radhika Suri, Senior Advocate with
Mr. Abhinav Narang, Advocate and
Mr. Sidhant Suri, Advocate
for the petitioner.

Mr. Varun Issar, Senior Standing Counsel and
Ms. Nikita Garg, Junior Standing Counsel for
the respondent(s)-revenue.

DEEPAK SIBAL, J.

1. This writ petition is directed at the assessee's behest for issuance of a direction to the respondent-revenue to delete demand of Rs.31,97,03,100/- as shown on the income tax e-filing portal (for short – the

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2026.11.20 14:30
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portal) pertaining to the assessment year 2018-19. Also under challenge are the consequent notices dated 30.06.2022 and 08.04.2026 initiating penalty proceedings against the petitioner under Section 274 read with Section 270A of the Income-tax Act, 1961 (for short – the Act), as also notice dated 17.01.2025 issued under Section 221(1) of the Act proposing to levy penalty for non-payment of the aforesaid demand.

2. The facts, in brief, which are required to be noticed for adjudicating upon the present petition are that the petitioner is a company incorporated under the laws of India and at the relevant time i.e. assessment year 2018-19, was a subsidiary of EGN BV, Netherlands. As on date, the petitioner is a subsidiary of Orange Business Services Participations S.A., France. The petitioner is primarily engaged in providing services in the nature of IT enabled network management/technical support and other back-office support including services like remote monitoring and maintenance of Orange's Global Network Platform etc. The petitioner also provides contract software development services in relation to development and maintenance of applications used within the group like human resources etc.

3. On 30.11.2018, the petitioner filed its income tax return for the assessment year 2018-19 through which it declared its gross total income of Rs.62,94,62,954/-. The return was processed under Section 143(1) of the Act and intimation in this regard was forwarded to the petitioner on 15.07.2019 as per which, the petitioner was held entitled to a refund of Rs.7,48,000/-. Thereafter, the petitioner's case was picked up for scrutiny through Computer Aided Scrutiny Selection and accordingly, a notice dated 22.09.2019, under Section 143(2) of the Act was served upon the petitioner.

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2026.11.20 14:30
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Since the petitioner's income tax return included international transactions with associated entities, a reference was then made by the petitioner's Assessing Officer, under Section 92CA(1) of the Act, to the Transfer Pricing Officer (for short – the TPO) so that the arm's length price of the aforesaid international transactions, in terms of Section 92CA(3) of the Act, could be determined. Thereafter, the TPO passed an order under Section 92CA(3) of the Act through which an addition to the petitioner's declared income was ordered @ Rs.52,15,13,144/-. Accordingly, the Assessing Officer issued a draft assessment order dated 24.09.2021 under Section 144C of the Act against which, in terms of Section 144C(2) of the Act, the petitioner filed its objections before the Dispute Resolution Panel (for short – the DRP). Through order dated 17.03.2022, the DRP modified the aforesaid order of the TPO on the basis whereof a final assessment order dated 30.06.2022 was passed by the petitioner's Assessing Officer whereby addition of Rs.59,86,80,506/- was made to the petitioner's declared income. On the basis of such addition, income tax @ Rs.31,97,03,102/- was demanded from the petitioner. Penalty proceedings under Section 274 read with Section 270A of the Act were also initiated. The final assessment order dated 30.06.2022 was challenged by the petitioner through filing of an appeal before the Income Tax Appellate Tribunal, New Delhi (for short – ITAT) which appeal was allowed for statistical purposes through order of the ITAT dated 30.05.2023. The transfer pricing adjustment of Rs.24,57,22,921/- on account of interest on receivables was deleted by the ITAT outright, whereas on the issue of determination of arm's length price with regard to international transactions entered into by the petitioner with its associate foreign entities the matter

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2026.11.20 14:30
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was remitted to the TPO for a fresh decision. Till date, in terms of the directions of the ITAT dated 30.05.2023, no order has been passed by the TPO and resultantly, no fresh assessment order has been passed pursuant thereto. However, penalty proceedings for the assessment year 2018-19 under Section 221(1) of the Act were initiated against the petitioner through issuance of a notice dated 17.01.2025 to which the petitioner filed a reply dated 25.09.2025 (received on 26.09.2025) raising therein the issue that such penalty proceedings were time barred. The petitioner further brought to the notice of the respondent–authorities that the order of the ITAT dated 30.05.2023 had been passed in the presence of the authorized representative of the respondents and in any case such order had also been duly brought to the respondents' notice through a written representation on 09.08.2023 but in spite of the same, neither had any fresh order been passed by the TPO nor any fresh assessment order within 12 months from the end of the financial year in which the order of the ITAT had been passed and therefore, in terms of Section 153(3) of the Act, the original return filed by the petitioner, which had been processed under Section 143(1) of the Act, had to be treated as the final and legal declaration of its income for the Assessment Year 2018-19.

4. Without responding to the afore justification offered by the petitioner, another notice under Section 274 read with Section 270A dated 08.04.2026 was served upon the petitioner and even till date, on the portal, it is reflected that a demand of Rs.31,97,03,100/-, pertaining to the assessment year 2018-19, along with applicable penalty, is due from the petitioner. It is in these circumstances that the petitioner has knocked the doors of this Court seeking therein the aforementioned reliefs.

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5. Ms. Radhika Suri, learned senior counsel appearing for the petitioner submitted that once the order of the ITAT dated 30.05.2023 had been passed in the presence of the counsel for the respondent–revenue, in terms of Section 153(3) of the Act, the fresh final assessment order could have been passed within 12 months from the date of the end of the financial year in which the order of the ITAT had been passed i.e. till 31.03.2025 but since, in terms of the order of the ITAT dated 30.05.2023, there is no assessment order that has been passed even till date, the claim of the respondent–revenue, as reflected on the portal, as also initiation of penalty proceedings against the petitioner, are time barred and without jurisdiction especially when the order of the ITAT dated 30.05.2023 had also been duly served by the petitioner upon the respondent authorities through a representation dated 09.08.2023 and that such order had also been brought to the notice of the respondent authorities through reply filed by the petitioner on 25.09.2025 to the penalty proceedings initiated against the petitioner. Learned senior counsel further submitted that the satisfaction for initiating penalty proceedings under Section 270A of the Act had been recorded in the assessment order dated 30.06.2022 and since the said order stands set aside by the ITAT, in the absence of such satisfaction, the penalty proceedings cannot survive. Reliance in this regard was placed upon the judgment of the Supreme Court in *Commissioner of Income Tax, Panchkula vs. Jai Laxmi Rice Mills, Ambala City, (2015) 64 taxmann.com 75 (SC)*.

6. In support of her contentions learned senior counsel also relied on the following four judgments:-

i) Commissioner of Income Tax-7 vs. Odeon Builders (P.) Ltd. (2017) 393 ITR 27 (Delhi) (FB),

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ii) *Aircom International India (P.) Ltd. vs. Deputy Commissioner of Income-tax, [2024] 159 taxmann.com 148 (Delhi)*

iii) *Huawei Telecommunications India Company (P.) Ltd. vs. Assistant Commissioner of Income-tax, [2024] 169 taxmann.com 732 (Delhi)*

iv) *Laqshya Media Ltd. vs. Assistant/Deputy Commissioner of Income-tax, [2026] 187 taxmann.com 87 (Bombay).*

7. Per contra, learned counsel appearing for the revenue submitted that in terms of the order of the ITAT dated 30.05.2023, limitation to pass a fresh order by the TPO and on the basis thereof a fresh assessment order would, in terms of Section 153(3) of the Act, begin to run from the date of receipt of the said order by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner but since, in the facts of the present case, the order of the ITAT dated 30.05.2023 has not been received till date by either of the afore officers, and in particular has not been received in the office of the jurisdictional Assessing Officer through the office of the jurisdictional Principal Commissioner of Income Tax, even today a valid and legal order can still be passed by the TPO and on the basis thereof an assessment order by the petitioner's jurisdictional assessing officer. It was further submitted that since the Act provides a complete machinery for assessment and reassessment of tax, the petitioner could not have invoked the writ jurisdiction of this Court under Article 226 of the Constitution of India, reliance in this regard is being placed upon the judgment of the Supreme Court in *Commissioner of Income Tax and others vs. Chhabil Dass Agrawal, (2014) 1 SCC 603.*

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8. In response to the above submission made on behalf of the revenue, Ms. Suri argued that in paragraph No.3 (viii) of its petition the petitioner has specifically averred that through its letter dated 09.08.2023 a copy of the order of the ITAT dated 30.05.2023 had been brought to the notice of the TPO which fact has not been denied in the short reply filed by the respondents; in any case, order of the ITAT dated 30.05.2023 was passed in the presence of the authorized representative of the respondent-revenue and therefore, the respondent authorities would be deemed to be aware of its passing; in terms of the information supplied to the petitioner under the Right to Information Act, 2005 (for short – the RTI Act), the ITAT had disclosed that a copy of its order dated 30.05.2023 was duly forwarded through speed post on 14.06.2023 to the office of the Commissioner of Income Tax, Gurgaon, who was the petitioner's Jurisdictional Commissioner as also that a hard copy of the order of the ITAT had been physically handed over to the office of the senior department representative of the revenue on 13.06.2023; in response to the penalty notice received by the petitioner dated 17.01.2025, the petitioner had filed a reply dated 25.09.2025 through which the respondent-authorities were again informed with regard to the passing of the order of the ITAT dated 30.05.2023 which fact had also not been denied by the respondent authorities in their short reply and that the writ petition is maintainable since no statutory remedy is available against a demand which ceased to exist once the assessment order creating it was set aside and no fresh order was passed within limitation.

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2026.11.20 14:30
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DISCUSSION AND CONCLUSION

9. At the outset, the objection raised on behalf of the revenue regarding maintainability of the present petition on the ground of availability of an alternative remedy deserves to be rejected. The challenge raised by the petitioner is founded on the bar of limitation under Section 153(3) of the Act and the consequent lack of jurisdiction of the respondents to recover a demand and continue penalty proceedings arising out of an assessment order which already stands set aside by the ITAT. The Supreme Court in *Chhabil Dass Agrawal's* case (supra) itself recognized that the rule of alternative remedy is a rule of self-imposed limitation and does not apply where the impugned action is wholly without jurisdiction. Further, the Act does not provide any statutory remedy against a demand reflected on the portal which, as per the petitioner, has ceased to exist. The objection is thus rejected.

10. The facts of the present case would attract the applicability of Section 153(3) of the Act and therefore, the said provision is extracted below for ready reference: -

> *"(3) Notwithstanding anything contained in sub-sections (1), (1A) and (2), an order of fresh assessment [or fresh order under section 92CA, as the case may be,] in pursuance of an order under [section 250 or] section 254 or section 263 or section 264, setting aside or cancelling an assessment, [or an order under section 92CA, as the case may be], may be made at any time before the expiry of nine months from the end of the financial year in which the order under [section 250 or] section 254 is received by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner or, as the case may be, the order under section 263 or section 264 is passed by the [Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, as the case may be]:*

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2026.11.20 14:30
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> *Provided that where the order under [section 250 or] section 254 is received by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner or, as the case may be, the order under section 263 or section 264 is passed by the [Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, as the case may be,] on or after the 1st day of April, 2019, the provisions of this sub-section shall have effect, as if for the words "nine months", the words "twelve months" had been substituted."*

11. As per the afore quoted provision an order of fresh assessment or a fresh order under Section 92CA of the Act, as the case may be, in pursuance to an order under Section 250 or 254 or 263 or 264 is required to be passed before the expiry of 9 months from the end of the financial year in which the order under Section 250 or 254 is received by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner or as the case may be. As per the proviso to Section 153(3) where the order passed under Section 250 or Section 254 of the Act is received by the afore referred officers of the revenue, on or after 01.04.2019, the period of 9 months, as occurring in Section 153(3) of the Act, is to be substituted by 12 months.

12. In the case in hand, through an order of the ITAT dated 30.05.2023, an appeal preferred by the petitioner under Section 253 of the Act was disposed of under Section 254 of the Act. Such order contained the following relevant directions: -

> *"4. On the other hand, the Ld. DR did not dispute the submissions. Hence, following above precedents, we set aside the findings of the lower authorities and remit the matter back to the Ld. TPO for determining arm's length price of international transaction of Contract Software Development Services (CSD) and ITes in segregated manner complying*

SUNIL YADAV
2026.11.20 14:30
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> *the direction of the ITAT in Assessment Year. Needless to say, that the assessee shall be provided adequate opportunity of being heard."*
>
> ***(emphasis supplied)***

13. Thus, through its order dated 30.05.2023 the ITAT remitted the matter to the TPO to re-determine the arm's length price of the petitioner's international transaction of Contract Software Development Services and ITes in a segregated manner in the assessment year in question. The order of the ITAT dated 30.05.2023 was admittedly pronounced in the presence of Shri Rajesh Kumar, Commissioner of Income Tax who represented the respondent-revenue before the ITAT. It is further the petitioner's unrebutted case in the form of information received from the ITAT under the RTI Act that a hard copy of the order of the ITAT dated 30.05.2023 was also physically handed over in the office of the Senior Departmental Representative of the revenue on 13.06.2023. The said information further reveals that the copy of the order meant for the Commissioner of Income Tax and the Assessing Officer was dispatched by the ITAT to the office of the Commissioner of Income Tax, Gurgaon on 14.06.2023 through Speed Post No. ED397900189IN. Though the said information was placed on record along with the rejoinder, its correctness was not disputed on behalf of the revenue by filing any counter.

14. Once an officer of the revenue of the rank of Commissioner of Income Tax was present at the time of pronouncement of the order of the ITAT on 30.05.2023 and that a hard copy of the said order had also been physically handed over in the office of the Senior Departmental Representative of the revenue on 13.06.2023 as also a copy of the said order

SUNIL YADAV
2026.11.20 14:30
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had been dispatched by the ITAT to the office of the jurisdictional Commissioner of Income Tax, Gurgaon on 14.06.2023, the revenue cannot be allowed to say that it had not received a copy of the order of the ITAT dated 30.05.2023 or that it was not aware or had no knowledge of its existence. In the light of the afore facts, it was for the Commissioner of Income Tax who was present before the ITAT at the time of pronouncement of the order on 30.05.2023 and for the office of the Senior Departmental Representative of the revenue which had also received a copy of the same on 13.06.2023 to forward the said order to the concerned authorities for compliance or if aggrieved by its passing, take appropriate legal remedies against it, as per law. Inaction on the part of such officer to do the needful cannot be allowed to work to the assessee's prejudice.

15. In *Commissioner of Income Tax-7 vs. Odeon Builders (P.) Ltd. (2017) 393 ITR 27 (Delhi) (FB)* the question which cropped up before a Full Bench of the Delhi High Court was whether the words "the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner" in Section 260A(2)(a) of the Act means only the jurisdictional Principal or Chief Commissioner of Income Tax or it could be any Commissioner of Income Tax including the Commissioner of Income Tax (Judicial). This question arose in the light of the stand of the revenue that unless a jurisdictional Commissioner of Income Tax received a copy of the order of the ITAT, limitation of 120 days to file an appeal would not commence.

The phraseology with regard to receipt of a copy of the order of the ITAT by officers of the revenue used in Sections 153(3) and 260A(2)(a) is similar and therefore, answer to the afore question by the Full

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2026.11.20 14:30
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Bench of the Delhi High Court in *Odeon Builders'* case (supra) would have a direct bearing on the case in hand.

16. In *Odeon Builders'* case (supra) the Delhi High Court held as follows :-

> *"40. The context in which the interpretive exercise is to be undertaken is that of the statute of limitation. Usually, the commencement of limitation is that point when there is 'knowledge' of an order or judgment. In the context of Section 260A(2)(a), the question that should be asked is: "when was the Department/Revenue aware of the order" and not "when was that particular CIT or Pr CIT having jurisdiction have knowledge of the order". Once a responsible officer or representative of the Department such as its DR or the CIT (Judicial) is aware of the order, then from that point it is a purely internal administrative arrangement as to how the said officer obtains and further communicates the order to the officer who has to take a decision on filing the appeal. Of course, the time taken to obtain a copy of the order by such DR or CIT (Judicial) would be excluded. However, the period of limitation will not cease to run only because the 'concerned' officer has not yet received the order.*
>
> *41. The counsel for the Revenue point out that the requirement that the ITAT should pronounce orders was not a statutory one but was brought about by a decision of this Court. Whilst this is correct, Rule 34 of the ITAT Rules equally provides the statutory underpinning of this principle. The fact that the jurisdictional CIT was not present at the time of pronouncement of the order of the ITAT will make no difference. The first officer of the Department who receives the certified copy should be taken to have 'received' it on behalf of all the officers of the Department. How such officer who first receives the copy ensures that it reaches the particular officer who has to take a decision on filing an appeal is for the Department to figure out. That internal issue of the Department cannot possibly extend the time for filing of the appeal beyond 120 days as provided under Section 260A (2) (a) of the Act.*
>
> *42.The problem can also be viewed from the angle of the frequent transfers and posting of the income tax officers including CIT/Pr CIT on account of the allocation/re-allocation of duties and other administrative exigencies. It is possible that the CIT who was the 'concerned' CIT at the time of dispatch by the ITAT of the copy of the order ceases to be such when he receives the copy. That will not give rise to a fresh period of limitation or postpone the*

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2026.11.20 14:30
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commencement of limitation till such time the substitute 'concerned' Pr CIT/CIT receives a copy of the said order. Given the fact that, legislatively, a larger period of limitation has been granted for filing appeals, there is no warrant for any flexibility in the interpretation thereby giving a discretion to officers of the Department to extend the period of limitation beyond what is envisaged by the statute. In these very cases, the impugned order was received by a particular CIT (Judicial) and then sent to the 'concerned' CIT, who was shifted out by the time a copy reached him. Meanwhile, the period of 120 days lapsed. The period of 120 days cannot be sought to be stretched indefinitely till the 'concerned' CIT receives the order. That would then defeat the legislative purpose.

43. Viewed differently, the contextual interpretation of the expression 'receive' would be when the parties notified of the pronouncement are represented at that time in the open court. When pronounced, both parties are said to receive it. The agency which they choose for transmission to the official or executive component to authorise an appeal is not the concern of the judicial system.

44. Another context would be the absence of arbitrariness and discrimination in the manner of treatment of the parties to the litigation. Section 260 A (2) (a) applies to both, the Assessee as well as the Revenue. When it is the Assessee who is aggrieved, limitation for filing the appeal will begin to run once the Assessee through its AR receives a copy of the order of the ITAT. Where the AR is present at the pronouncement, or even when such AR chooses not to remain present for pronouncement, the Assessee should be taken to be aware of the order from that moment. From then on, barring the time taken by such AR to obtain a copy of the order, the limitation for filing an appeal would begin to run. Assuming that the Assessee is a large company, and a decision as to filing an appeal can only be taken by, say, its Managing Director (MD), an argument that the limitation does not begin till the order has reached the desk of the MD of that company will not be countenanced. Therefore, what applies to an Assessee should equally apply to the Revenue particularly since the legislature has not couched the language in a manner that brings out any difference in the treatment of both the parties to the appeal."

17. The afore opinion of the Delhi High Court in *Odeon Builders'* case (supra), has attained finality as the Special Leave Petition being *Special Leave Petition (Civil) No.11792 of 2018 – Commissioner of*

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Income Tax 7 vs. M/s Odeon Builders Pvt. Ltd., preferred against such decision by the revenue was dismissed by the Supreme Court on 01.05.2018.

18. In *Huawei Telecommunications'* case (supra) a Division Bench of the Delhi High Court while considering a similar issue as raised through the present petition held as follows :-

> *"9. It is the petitioner's case that no order has been passed pursuant to the remand by the learned ITAT and consequently, the statutory time (as stipulated under Section 153 of the Act) for the TPO or the AO to pass an order has since expired.*
>
> *10. In the circumstances, the petitioner furnished a letter dated 04.04.2024 informing the AO that since no order has been passed pursuant to the order passed by the learned ITAT, the proceedings are time barred. The petitioner also called upon the AO to process its refund for an amount of ₹45,51,85,614/-, which was adjusted against the amount refunded to the petitioner. However, the same has not been processed.*
>
> *11. Notice in the present petition was issued on 28.05.2024 and the Revenue was granted two weeks' time to file a counter affidavit. However, no such affidavit was filed controverting the assertions made by the petitioner. On 12.11.2024, a final opportunity was granted to the Revenue to file a counter affidavit traversing the facts before the next date of hearing, which was scheduled today. However, the counter affidavit has not been filed. The facts as stated in the present petition are, thus, not contested.*
>
> *12 xx xxxxxxxx*
>
> *13. Undisputedly, the learned ITAT had pronounced the order in open court on 24.02.2021 as is expressly set out in the said order. The order also indicates that the Revenue was duly represented by the departmental representative (Sh. Surender Pal, CIT). Thus, the timeline for passing an order under Section 153(5) of the Act commenced from 24.02.2021.*
>
> *14. xx xxxxxxxx*
>
> *15. xx xxxxxxxx*
>
> *16. xx xxxxxxxx*
>
> *17. xx xxxxxxxx*
>
> *18. We also consider it relevant to set out the relevant extract of the said decision of the Full Bench of this court in regard to the first two questions that were referred for consideration. The same are set out below:*

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2026.11.20 14:30
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> *"Q: (i) What is the correct interpretation to be placed on the expression "received by the Assessee or the Principal Chief Commissioner or the Chief Commissioner or Principal Commissioner" in Section 260A (2) (a) of the Act? Does it mean 'received' by any of the named officers including the CIT (Judicial)?*
>
> *Ans: The word 'received' occurring in Section 260A (2) (a) would mean received by any of the named officers of the Department, including CIT (Judicial). The provision at present names four particular officers i.e. the Principal Commissioner, Commissioner, Principal Chief Commissioner, and the Chief Commissioner of Income Tax. These are the only designations of the officers who could receive a copy of the order. In the absence of a qualifying prefix "concerned", the receipt of a copy of the order of the ITAT by any of those officers in the Department including the CIT (Judicial) will trigger the period of limitation.*
>
> *Q: (ii) Does limitation begin to run for the purposes of Section 260A (2) (a) only when a certified copy of the order of the ITAT is received by the 'concerned' CIT within whose jurisdiction the case of the Assessee falls notwithstanding that it may have been received by any other CIT, including the CIT (Judicial) prior thereto? Is it open to the Court to read the word 'concerned' into Section 260 A (2) (a) of the Act as a prefix to any of the officers of the Department named therein?*
>
> *Ans: In Section 260A (2) of the Act, the words CIT, Pr CIT or Chief CIT are not prefixed or qualified by the word 'concerned'. There is no warrant for the Court to read into the provision such a qualifying word. The Court rejects the contention of the Revenue that limitation for the purposes of Section 260A (2) (a) begins to run only when a certified copy of the order of the ITAT is received by the 'concerned' CIT within whose jurisdiction the case of the Assessee falls notwithstanding that it may have been received by any other CIT, including the CIT (Judicial) prior thereto."*

19. We agree with the afore reasoning rendered by the Delhi High Court in *Odeon Builders'* case (supra) and *Huawei Telecommunications'* case (supra).

20. Further, it is the positive case set up by the petitioner that the order of the ITAT dated 30.05.2023 which required the TPO to pass a fresh

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2026.11.20 14:30
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decision to re-determine the arm's length price of the petitioner's international transaction of Contract Software Development Services and ITes in a segregated manner was duly brought to the notice of the TPO through a written representation dated 09.08.2023. This fact has not been denied by the respondents. Thus, on 09.08.2023 the TPO was well aware of the directions issued by the ITAT through its order dated 30.05.2023 but no re-determination was made by the TPO within the limitation prescribed under Section 153(3) of the Act. In the absence of a fresh determination by the TPO no fresh assessment order could have been passed by the petitioner's jurisdictional AO.

21. In the light of the above discussion, the TPO did not pass a fresh order and consequently, the revenue failed to reassess the petitioner for the assessment year 2018-19, in terms of the directions issued by the ITAT dated 30.05.2023, within the timeline prescribed under Section 153(3) of the Act. Therefore, the revenue is now barred from passing any such assessment order. Consequently, the petitioner's Income Tax Return originally filed on 30.11.2018 is required to be accepted.

22. As a consequence, no assessed income or demand for the assessment year 2018-19 survives against the petitioner. The satisfaction for initiating penalty proceedings under Section 270A of the Act had been recorded in the assessment order dated 30.06.2022 which stands set aside by the ITAT, and no fresh assessment order can now be passed. The penalty proceedings initiated vide notices dated 30.06.2022 and 08.04.2026 under Section 274 read with Section 270A of the Act, as also the notice dated 17.01.2025 under Section 221(1) of the Act proposing to levy penalty for

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non-payment of the aforesaid demand, therefore, cannot survive. Reference in this regard may be made to the judgment of the Supreme Court in *Jai Laxmi Rice Mills'* case (supra).

23. The petition is allowed. Consequently, (i) the respondents are directed to delete the outstanding demand for the assessment year 2018-19 as reflected on the income tax portal (Annexure P-12); (ii) the notice dated 17.01.2025 under Section 221(1) of the Act (Annexure P-8) is quashed; and (iii) the notices dated 30.06.2022 and 08.04.2026 under Section 274 read with Section 270A of the Act (Annexures P-5 and P-10) are quashed.

24. No costs.

(DEEPAK SIBAL)
JUDGE

20.11.2026 **(SUNISH BINDLISH)**
gk /sunil yadav **JUDGE**

Whether speaking/reasoned : Yes / No
Whether reportable : Yes / No

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