

**IN THE INCOME TAX APPELLATE TRIBUNAL DELHI
(DELHI BENCH 'H' NEW DELHI)
BEFORE YOGESH KUMAR U.S., JUDICIAL MEMBER
AND
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER**

ITA No. 3443/DEL/2024

Toyota Boshoku Device India Private Limited, Unit 108, 1 st Floor, Suncity Success Tower, gold Course Extension Road, Gurgaon, Haryana, PAN: AAFCT0104J	Vs	Assessment Unit, Income Tax Department, Gurgaon, Haryana
Appellant		Respondent
Assessee by	Ms. Reema Grewal, CA	
Revenue by	Sh. S. K. Jadhav, CIT DR	
Date of Hearing	20/01/2026	
Date of Pronouncement	23/01/2026	

ORDER

PER YOGESH KUMAR, U.S. JM:

The captioned appeal is filed by the Assessee challenging the Final Assessment Order passed u/s 143(3) r.w.s. 144C(13)r.w. Section 144B of the Income Tax Act, 1961 (the Act in short) dated 28/05/2024.

2. The Assessee raised Ground No. 3 contending that the Final Assessment order dated 28/05/2024 passed by the A.O. is time barred by limitation and is bad in law, as it has been passed beyond the time frame prescribed under section 153(1) read with section 153(4) of the Income Tax Act, 1961 ('Act' for short). The Ld. Assessee's Representative relying on the ratio laid down by the Hon'ble High Court of Madras in the

case of Commissioner of Income-tax Vs. Roca Bathroom Products (P.) Ltd. [2022] 445 537 (Madras) and also plethora of orders passed by the Co-ordinate Bench of the Tribunal, Hyderabad Bench sought for allowing the Ground No. 3 of the Assessee.

3. Per contra, the Ld. Department's Representative submitted that the issue of limitation arising from the interplay between Section 144C and Section 153 of the Act is presently unsettled and pending adjudication before the Hon'ble Supreme Court in the case of ACIT Vs. Shelf Drilling Ron Tappmeyer Ltd. in Special Leave to Appeal (C) Nos. 20569-20572/2023 therefore, deciding the very same issue by this Tribunal at this stage would be premature, thus submitted that the Tribunal cannot decide the issue of limitation in terms of the ratio laid down by the Hon'ble High Court of Madras in the case of Roca Bathroom Products (P) Ltd. (supra). Accordingly, the Ld. Department's Representative sought for deferral of adjudication of the present Appeal and also the issue of limitation. The Ld. Department's Representative has also filed detail written submission.

4. The identical submissions of the parties have been considered by us in the case of Teva Pharmaceutical & chemical Industries India Private Limited Vs. Assessment Unit, Income Tax Department/DCIT in

ITA No. 4197/Del/2024 vide order dated 19/01/2026. The Co-ordinate Bench of the Tribunal while and rejecting the preliminary objection raised by the Revenue and also the request of the Department for deferring the hearing of the Appeal, held as under:-

“8. We have heard both the parties and perused the material available on record. The preliminary contention of the Revenue is that, the issue regarding the limitation arising from the interplay between Section 144C and 153 of the Act is pending consideration before the Hon'ble Supreme Court and the said issue has already been referred to Larger Bench of the Hon'ble Supreme Court in the case of Shelf Drilling Ron Tappmeyer Ltd. Further, there is an Interim Order passed by the Hon'ble Supreme Court dated 22/09/2023 against citing the Judgment (of Hon'ble High Court of Judicature at Bombay) of Shelf Drilling Ron Tappmeyer Ltd., therefore deferral of adjudication on the limitation issue is the most appropriate course by the Tribunal instead of deciding the said issue.

9. It is the matter of record that Hon'ble Supreme Court vide order dated 22/09/2023, passed an interim order in Petitions for Special Leave to Appeal (C) Nos. 20569-20572/2023 in the case of Shelf Drilling Ron Tappmeyer Ltd., wherein it was observed that impugned Judgment shall not be cited as precedents in any other subsequent matters until further orders. The said matter was heard by the Hon'ble Supreme Court and dissenting Judgment came to be passed on 08/08/2025 and the Hon'ble Bench of the Hon'ble Supreme Court directed the registry to place the matters before the Hon'ble Chief Justice of India for constituting appropriate Bench to consider the issues which arises in those matters afresh. However, in the present proceedings, the Assessee has not cited or relied upon on the Judgment of Hon'ble High Court of Judicature at Bombay in the case of Shelf Drilling Ron Tappmeyer Ltd. (supra) on the other hand Assessee relied on the Judgment of Madras High Court in Roca Bathroom Products (P) Ltd. (supra) on which no stay is in operation.

10. The Revenue has canvassed that deciding the present Appeal will only result in multiplication of proceedings and sought for deferring the hearing of the Appeal pending before the Tribunal. However, the

provision of Section 158AB of the Income Tax Act provides for the procedure to be adopted by the Department in case where an identical question of law is pending before the Hon'ble High Court or Hon'ble Supreme Court. For the sake of ready reference, Section 158AB is reproduced as under:-

“Procedure where an identical question of law is pending before High Courts or Supreme Court.

158AB. (1) *Notwithstanding anything contained in this Act, where the collegium is of the opinion that—*

- (a) *any question of law arising in the case of an assessee for any assessment year (such case being herein referred to as the relevant case) is identical with a question of law arising,—*
 - (i) *in his case for any other assessment year; or*
 - (ii) *in the case of any other assessee for any assessment year; and*
- (b) *such question is pending before the jurisdictional High Court under section 260A or the Supreme Court in an appeal under section 261 or in a special leave petition under article 136 of the Constitution, against the order of the Appellate Tribunal or the jurisdictional High Court, as the case may be, which is in favour of such assessee (such case being herein referred to as the other case),*

the collegium may, decide and inform the Principal Commissioner or Commissioner not to file any appeal, at this stage, to the Appellate Tribunal under sub-section (2) of section 253 or to the jurisdictional High Court under sub-section (2) of section 260A in the relevant case against the order of ²⁹[the Joint Commissioner (Appeals) or] the Commissioner (Appeals) or the Appellate Tribunal, as the case may be.

(2) *The Principal Commissioner or the Commissioner shall, on receipt of a communication from the collegium under sub-section (1), notwithstanding anything contained in sub-section (3) of section 253 or clause (a) of sub-section (2) of section 260A,*

direct the Assessing Officer to make an application to the Appellate Tribunal or the jurisdictional High Court, as the case may be, in such form as may be prescribed within a period of one hundred and twenty days from the date of receipt of the order of ²⁹[the Joint Commissioner (Appeals) or] the Commissioner (Appeals) or of the Appellate Tribunal, as the case may be, stating that an appeal on the question of law arising in the relevant case may be filed when the decision on such question of law becomes final in the other case.

(3) The Principal Commissioner or Commissioner shall direct the Assessing Officer to make an application under sub-section (2) only if an acceptance is received from the assessee to the effect that the question of law in the other case is identical to that arising in the relevant case; and in case no such acceptance is received, the Principal Commissioner or Commissioner shall, notwithstanding anything contained in sub-section (3) of section 253 or clause (a) of sub-section (2) of section 260A, proceed in accordance with the provisions contained in sub-section (2) of section 253 or in clause (c) of sub-section (2) of section 260A.

(4) Where the order of ²⁹[the Joint Commissioner (Appeals) or] the Commissioner (Appeals) or the order of the Appellate Tribunal, as the case may be, referred to in sub-section (1) is not in conformity with the final decision on the question of law in the other case, as and when such order is received, the Principal Commissioner or Commissioner may direct the Assessing Officer to appeal to the Appellate Tribunal or the jurisdictional High Court, as the case may be, against such order and save as otherwise provided in this section all other provisions of Part B and Part CC of Chapter XX shall apply accordingly.

(5) Every appeal under sub-section (4) shall be filed within a period of sixty days to the Appellate Tribunal or one hundred and twenty days to the High Court, as the case may be, from the date on which the order of the jurisdictional High Court or the Supreme Court in the other case is communicated to the Principal Commissioner or the Commissioner (having jurisdiction over the relevant case), in accordance with the procedure specified by the Board in this behalf.

Explanation.—For the purposes of this section, "collegium" means a collegium comprising of two or more Chief Commissioners or Principal Commissioners or Commissioners, as may be specified by the Board in this behalf."

Thus, in our opinion, it is for the Revenue to adopt the procedure contemplated u/s 158AB of the Act where an identical question of law is pending before the Hon'ble High Court or the Supreme Court.

11. Further, the Hon'ble Supreme Court in the case of Shree Chamundi Mopeds Ltd. Vs. Church of South India Trust Association (1992) 3 SCC 1, held that, mere grant of stay does not obliterate the binding nature of the Judgment passed by the Hon'ble High Court in following manners:-

"In the instant case, the proceedings before the Board under ss. 15 and 16 of the Act had been terminated by order of the Board dated April 26, 1990 whereby the Board, upon consideration of the facts and material before it, found that the appellant-company had become economically and commercially non-viable due to its huge accumulated losses and liabilities and should be wound up. The appeal filed by the appellant-company under s. 25 of the Act against said order dated January 7, 1991. As a result of these orders, no proceedings under the Act was pending either before the Board or before the Appellate Authority on February 21, 1991 when the Delhi High Court passed the interim order staying the operation of the Appellate Authority dated January 7, 1991. The said stay order of the High Court cannot have the effect of reviving the proceedings which had been disposed of by the Appellate Authority by its order dated January 7, 1991. While considering the effect of an interim order staying the operation of the order under challenge, a distinction has to be made between quashing of an order and stay of operation of an order. Quashing of an order results in the restoration of the position as it stood on the date of the passing of the order which has been quashed. The stay of operation of an order does not, however, lead to such a result. It only means that the order which has been stayed would not be operative from the date of the passing of the stay order and it does not mean that the said order has been wiped out from existence. This means that if an order passed by the Appellate Authority is quashed and the matter is remanded, the result would be that the appeal which had been disposed of by the said order of the Appellate Authority would be restored and it can be said to be

pending before the Appellate Authority after the quashing of the order of the Appellate Authority. The same cannot be said with regard to an order staying the operation of the order of the Appellate Authority because in spite of the said order, the order of the Appellate Authority continues to exist in law so long as it exists, it cannot be said that the appeal which has been disposed of by the said order has not been disposed of and is still pending. We are, therefore, of the opinion that the passing of the interim order dated February 21, 1991 by the Delhi High Court staying the operation of the order of the Appellate Authority dated January 7, 1991 does not have the effect of reviving the appeal which had been dismissed by the Appellate Authority by its order dated January 7, 1991 and it cannot be said that after February 21, 1991, the said appeal stood revived and was pending before the Appellate Authority. In that view of the matter, it cannot be said that any proceedings under the Act were pending before the Board or the Appellate Authority on the date of the passing of the order dated August 14, 1991 by the learned Single Judge of the Karnataka High Court for winding up of the company or on November 6, 1991 when the Division Bench passed the order dismissing O.S.A. No. 16 of 1991 filed by the appellant-company against the order of the learned Single Judge dated August 14, 1991. Section 22(1) of the Act could not, therefore, be invoked and there was no impediment in the High Court dealing with the winding up petition filed by the respondents. This is the only question that has been canvassed in Civil Appeal No. 126 to 1992, directed against the order for winding up of the appellant-company. The said appeal, therefore, fails and is liable to be dismissed.”

12. Further the Hon'ble High Court of Bombay in the case of *CIT v. Smt. Godavari Devi Saraf* (1978) 113 ITR 589, observed that Income Tax Act is an all India statute and until a contrary decision given by any other competent High Court, the ratio laid down by the Hon'ble High Court is binding on the Tribunal. The relevant portion of the Judgment of Hon'ble High Court of Bombay is as under: –

9It should not be overlooked that the Income-tax Act is an All-India statute and if an Income-tax Tribunal in Madras, in view of the decision of the Madras High Court, has to proceed on the footing that section 1404(3) was non-existent, the order of penalty there under cannot be imposed by the authority under the Act. Until a contrary decision is given by any other competent High Court, which is binding on a Tribunal in the State of Bombay, it has to proceed on

the footing that the law declared by the High Court, though of another State, is the final law of the land.....

Emphasis Supplied

13. Further the Co-ordinate Bench of the Tribunal of Mumbai Bench in the case of Kaybee Pvt. Ltd. v. ITO in ITA No. 2165/Mum/2025 vide order dated 28.02.2020 followed the Judgment Hon'ble High Court of Bombay in the case of CIT v. Smt. Godavari Devi Saraf (supra) and held as under -

"11. It is also important to note that once a higher judicial forum takes a decision one way or the other, all the decisions of the Tribunal, whether division benches or special benches, cease to be relevant. In the case of Tej International Pvt Ltd Vs DCIT (118 Taxman 59 (Mag)/ 69 TTJ 650), a coordinate bench has, on this issue, observed that "In the hierarchical judicial system that we have, better wisdom of the Court below has to yield to higher wisdom of the Court above and, therefore, one a authority higher than this Tribunal has expressed an opinion on that issue, we are no longer at liberty to rely upon earlier decisions of this Tribunal even if we were a party to them. Such a High Court being a non-jurisdictional High Court does not alter the position as laid down by Hon'ble Bombay High Court in the matter of CIT v. Godavari Devi Saraf [1978] 113 ITR 589 (Bom.). Therefore, we do not consider it permissible to rely upon the earlier decisions of this Tribunal".

12. Viewed thus, the views expressed by the coordinate benches, which have met approval of Hon'ble Courts above, are required to be followed, in preference over views expressed by any other benches, whether in assessee's own case or in any other case and irrespective of the views being that of a division bench or even larger bench. We humbly bow to the wisdom of Hon'ble Courts above.....'

14. As observed earlier, there is neither any stay nor any order refraining the Assessee from citing the Judgment of Hon'ble High Court of Madras in the case of Roca Bathroom Products (P) Ltd. (supra). It is also matter of fact that there is no Judgment of any other Hon'ble High Court contrary to the ratio laid down in the case of Roca Bathroom Products (P) Ltd. (supra). Therefore, the ratio laid down by the Hon'ble High Court of Madras in the case of Roca Bathroom Products (P) Ltd. (supra) is having effect of binding precedent on the Tribunal.

15. Further specific query was made by the Bench to both the parties on the orders passed by the Co-ordinate Bench of the Tribunal at Hyderabad, wherein the Appeals have been decided on the issue of limitation relying on the Judgment of Hon'ble High Court of Madras in the case of Roca Bathroom Products (P) Ltd. (supra). It was informed to the Bench that none of the orders of the Tribunal Hyderabad Bench are stayed by the Jurisdictional High Court.

16. It is also brought to the notice of the Bench during the hearing regarding the orders passed by Co-ordinate Bench of the Tribunal, Hyderabad Bench (mentioned in paragraph 3 above), wherein the Co-ordinate Bench of the Tribunal followed the ratio laid down by the Hon'ble High Court of Madras in the case of Roca Bathroom Products (P) Ltd. (supra) and also protected the rights of the parties by granting liberty to the parties to get the Appeal revived if the decision of Larger Bench of Hon'ble Supreme Court on the issue necessitates modification of the order and kept open of all other issues on merits. Therefore, in our considered opinion, there cannot be any prejudice or legitimate grievance to the Revenue in deciding the present Appeal.

17. The Co-ordinate Bench of the Tribunal of Hyderabad Bench in the case of Interwrap Corp Private Ltd (Successor of Owens Corning Industries (India) Pvt. Ltd. (Successor of Owens Corning Industries (India) Private Limited Verses The Deputy Commissioner of Income Tax, Circle-5(1), Hyderabad in ITA No. 496/Hyd/2022 reported in 2025 (12) TMI 1278-ITAT Hyderabad dated 10/12/2025, considered overall circumstances including the Interim Order passed in the case of Shelf Drilling Ron Tappmeyer Ltd. by the Hon'ble Supreme Court and decided the issue of limitation in favour of the Assessee by following the Judgment of Bombay High Court in the case of Roca Bathroom Products Pvt. Ltd (supra). The Co-ordinate Bench of the Tribunal also safeguarded the interest of the parties by granting liberty. The relevant portions of the order in the case of Interwrap Corp Private Ltd (supra) are as under:-

“17. The sum and substance of the ratio laid down by the Hon'ble Madras High Court in the case of CIT Vs. Roca Bathroom Products Private Limited (supra) and the Hon'ble Bombay High Court in the case of Shelf Drilling Ron Tappmeyer Limited Vs. ACIT, International Taxation (supra), which was later followed by the Co-ordinate Bench of the Tribunal in the case of Aveva Solutions India LLP, Hyderabad Vs. ITO (supra), is) that the upper time limit provided under Section 153(1) and Section 153(4) of the Act is applicable for the final assessment order

passed by the A.O. under Section 143(3) r.w.s. 144C(13) r.w.s. 144B of the Act. In case the final assessment order passed by the A.O. under Section 143(3) r.w.s. 144C(13) r.w.s. 144B is beyond the upper time limit provided under Section 153(1) and Section 153(4) of the Act, then the said order is beyond the limitation prescribed and liable to be quashed. In the present case, there is no dispute with regard to the fact that the normal time limit available for passing the assessment order, as per the provisions of Section 153(1) of the Act, is 18 months from the end of the relevant assessment year, which would expire on 30.09.2020 for A.Y. 2018-19. Further, as per the provisions of Section 153(4) of the Act, where a reference under Section 92CA of the Act was made to the Transfer Pricing Officer (TPO), the time limit available stands extended by another 12 months, and in the present case, the upper time limit for completion of assessment proceedings would expire on 30.09.2021.

18. In the present case, the final assessment order passed by the A.O. under Section 143(3) r.w.s. 144C(13) r.w.s. 144B dated 28.07.2022 is clearly beyond the limitation prescribed under Section 153(4) of the Income-tax Act, 1961, and thus, liable to be quashed, as held by the Hon'ble Madras High Court and Hon'ble Bombay High Court in the cases of CIT Vs. Roca Bathroom Products Private Limited (supra) and Shelf Drilling Ron Tappmeyer Limited Vs. ACIT, International Taxation (supra) respectively. Therefore, by respectfully following the decisions of the Hon'ble Madras High Court and the Hon'ble Bombay High Court in the above cases, we hold that the final assessment order passed by the A.O. under Section 143(3) r.w.s. 144C(13) r.w.s. 144B dated 28.07.2022 is barred by limitation and accordingly quashed.

19. We further noted that, although the decisions of the Hon'ble Madras High Court in the case of CIT Vs. Roca Bathroom Products Private Limited (supra) and the Hon'ble Bombay High Court in the case of Shelf Drilling Ron Tappmeyer Limited Vs. ACIT, International Taxation (supra) are in favour of the assessee, and we dispose of the appeal filed by the assessee by following the above two decisions and quashed the assessment order, but the fact remains that the revenue has challenged the decision of the Hon'ble Bombay High Court in the case of Shelf Drilling Ron Tappmeyer Limited Vs. ACIT, International Taxation (supra) by filing an SLP before the Hon'ble Supreme Court, and the Hon'ble Supreme Court has disposed of the appeal. Further, the Hon'ble Supreme Court has delivered a split verdict by two Hon'ble Judges on this issue, i.e., one in favour of the revenue and one in favour of the assessee. Therefore, in our considered view, the matter is still pending for adjudication before the Hon'ble Supreme Court in the case Shelf

Drilling Ron Tappmeyer Limited Vs. ACIT, International Taxation (supra) and is to be resolved by a Larger Bench of the Hon'ble Supreme Court on this issue. Therefore, considering the present legal position, we keep all other issues raised by the assessee, including the admitted additional ground relating to DIN compliance, open. The parties shall be at liberty to seek revival of the appeal for adjudication of the remaining issues, if the decision of the Hon'ble Supreme Court on the above question necessitates modification of this order. Accordingly, we dispose of this appeal on this legal issue and keep open the other issues raised by the assessee on merits, in case the Hon'ble Supreme Court decides the issue otherwise.”

18. In view of the above discussion and also following the ratio laid down by the Co-ordinate Bench of the Tribunal of Hyderabad Bench (supra), we reject the preliminary objection raised by the Revenue and the request for deferring the hearing made by the Department.”

5. In view of the above, by following the ratio laid down by the Co-ordinate Bench of the Tribunal of Hyderabad Bench (supra) and also the order of the Co-ordinate Bench of the Tribunal in the case of Teva Pharmaceutical & Chemical Industries India Private Limited (supra), we reject the preliminary objection raised by the Revenue and the request of the Department for deferring the hearing.

6. The Ld. Assessee's Representative filed date chart and contended that the outer statutory time limit for completion of assessment u/s 153(1) r.w.s 153(4) of the Act for Assessment Year 2020-21 expired on 30/09/2023 and the Final assessment order came to be passed u/s 143(3) r.w. Section 144C(13) on 28/05/2024, which is beyond the statutory limitation prescribed u/s 153 r.w. Section 144C of the Act.

Thus submitted that, the impugned Final assessment order is barred by limitation as per Section 153 r.w. Section 144C of the Act, void ab initio and liable to be quashed.

7. For the sake of ready reference, date Chart filed by the Assessee is reproduced as under:

	<i>Assessment Year: 2020-21</i>	
<i>Relevant dates</i>	:	<i>Proceedings</i>
<i>05.07.2023</i>	:	<i>Transfer pricing order u/s 92CA(3) of the Act passed.</i>
<i>01.09.2023</i>	:	<i>Draft assessment order u/s 144C(1) of the Act passed.</i>
<i>23.04.2023</i>	:	<i>DRP directions u/s 144C(5) of the Act issued.</i>
<i>28.05.2024</i>	:	<i>Final Assessment Order u/s 143(3) r.w.s 144C(13) r.w. Section 144B of the Act passed.</i>
<i>30.09.2023</i>	:	<i>Limitation for passing the final assessment order-30 months i.e. 18 months + 12 months) in view of second proviso to Section 153(1) r.w. Section 153(4) of the Act.</i>

8. The Hon'ble High Court of Madras in the case of Roca Bathroom Products Pvt. Ltd (supra) held that, time limit prescribed u/s 153 of the Act has to be adhered to and that both Section 144C and 153 of the Act are mutually inclusive and interdependent. The presence of notwithstanding clause in Section 144C(13) of the Act would not exclude the operation of Section 153 of the Act. The relevant portion of the

Judgment of Hon'ble High Court of Madras in the case of Roca Bathroom Products Pvt. Ltd (supra)is reproduced as under:-

“Discussions and findings:

18. The main contentions of the Department, through their counsel are that Section 144C is a code in itself and hence on remand by the ITAT, the power of DRP to take up the dispute on additions by TPO, is not circumscribed by Section 153 and that in the absence of any express time limits contemplated under the Act, the time limits under Section 153 for reassessment cannot be read into Section 144C more particularly when the provisions of Section 153 are excluded by the non-obstante clause in section 144C(13) and hence the proceedings are not barred by limitation. Per contra, it has been contended by the learned senior counsels appearing for the respondent(s)/assesseees that the outer time limit under Section 153 is applicable to every proceedings on remand and the department having slept over the issue for several years, cannot now redo the proceedings afresh, after certain rights have vested with the assesseees. Even if specific provisions are not there to deal with this situation, the proceedings must be concluded within a reasonable time and hence the impugned proceedings are liable to be struck down and rightly done so by the learned Judge.

19. Admittedly, the facts including the dates are not under dispute. As regards the appeal in W.A.No.1854 of 2021, even though the remand was on 24.01.2013 and the assessee had received the order on 08.02.2013, the first notice by the DRP was issued on 19.02.2014 and the first hearing in the Chennai office was on 10.03.2014. Therefore, it is lucid that the DRP had the knowledge of the order before 19.02.2014. The matter was heard on various dates in Chennai office and written submissions were also filed. Thereafter, the files have been transferred to Bengaluru by the CBDT notification dated 31.12.2014. The Learned Judge relying upon the findings in the batch of cases which was decided first and rendered additional findings, which have been extracted in paragraphs 10 and 11 above,

has allowed the writ petitions holding that the time limit under Section 153 (2A) was not adhered to and in any case, the proceedings have not been concluded within a reasonable time.

20. As rightly contended by the learned senior counsels and affirmed by the Learned Judge, the DRP proceedings is a continuation of assessment proceedings. To put it further, it is a part of assessment proceedings, once the objections are filed and under section 144C (12) a period of 9 months is prescribed, within which, directions are to be issued by the DRP, failing which any directions are to be treated as otiose. As seen from the timeline discussed in the earlier paragraphs, the original assessment proceedings are to be completed within 21 months and the additional time of 12 months is granted when proceedings before TPO is pending. The TPO has to pass orders before 60 days prior 19 to the last date. Then 30 days time is given to the assessee to file their objection before the DRP and the DRP is given 9 months time and thereafter, within one month from the end of the month of receipt of directions from DRP, the final order is to be passed. This court is not in consonance with the contention of the learned senior panel counsel for the appellants/ revenue that the time period of 33 months, provided initially is for the draft order and not for the final order. A careful perusal of the timeline would indicate that the time limit is for the final assessment and not for the draft order. The anomaly in the argument is that in the present cases, no fresh draft order was passed, but the DRP had issued the notices. If the contention of the appellants / revenue was to hold some water, they must have passed the draft assessment order immediately on receipt of the order from the Tribunal, but instead, notice was issued by the DRP. In any case, it is a far cry for the revenue as because no order has been passed for more than 5 years.

21. As held above, the assessment has to be concluded within 21 months when there is no reference and when there is a reference, it has to be concluded within 33 months. In the additional 12 months, the draft order is to be passed, the objections have to be filed, the DRP has to issue the directions and the final order is to be passed. The provisions under section 144C and section 153 are not mutually

exclusive as both contain provisions relating to Section 92CA and are inter-dependent and overlapping. On remand, prior to amendment as per Section 153 (2A), the Assessing officer is given 12 months to pass a fresh assessment order. Therefore, it is incumbent on him to do so, irrespective of the fact that DRP has completed the hearing and issued the directions or not. As rightly held by the learned judge, we are of the view that the DRP ought to have concluded the proceedings within 9 months from the date of receipt of the Tribunal's order, when it had issued a notice on 19.02.2014 and conducted the hearing as early as on 10.03.2014 and on several dates. The DRP at Chennai, in fact ought to have passed orders before 19.11.2014, even if the date of receipt of the notice is taken as 19.02.2014. In that event, the assessing officer ought to have passed the order before 31.12.2014 or at the latest before 31.03.2015 considering that the order was received during the financial year 2013-14. The transfer of the files to Bengaluru, after the lapse of the time, will not indefinitely extend the time and can have no impact on the time lines. It is an inter-department arrangement and it cannot defeat the rights of the assessee.

22. Insofar as the non-obstante clause in Section 144C(13) is concerned, we concur with the view of the Learned Judge. The exclusion of applicability of Section 153 or Section 153 B is for a limited purpose to ensure that de hors larger time is available, an order based on the directions of the DRP has to be passed within 30 days from the end of the month of receipt of such directions. The section and the sub-section have to be read as a whole with connected provisions to decipher the meaning and intentions. At this juncture it would be useful to refer to the following decisions:

(i) Sultana Begum v. Prem Chand Jain, (1997) 1 SCC 373 at page 381: 21

“11. The statute has to be read as a whole to find out the real intention of the legislature.

12. In Canada Sugar Refining Co. v. R. [1898 AC 735 : 67 LJPC 126] , Lord Davy observed:

“Every clause of a statute should be construed with reference to the context and other clauses of the Act, so as, as far as possible, to make a consistent enactment of the whole statute or series of statutes relating to the subject-matter.”

14. This rule of construction which is also spoken of as “*ex visceribus actus*” helps in avoiding any inconsistency either within a section or between two different sections or provisions of the same statute.

15. On a conspectus of the case-law indicated above, the following principles are clearly discernible:

(1) It is the duty of the courts to avoid a head-on clash between two sections of the Act and to construe the provisions which appear to be in conflict with each other in such a manner as to harmonise them.

(2) The provisions of one section of a statute cannot be used to defeat the other provisions unless the court, in spite of its efforts, finds it impossible to effect reconciliation between them.

(3) It has to be borne in mind by all the courts all the time that when there are two conflicting provisions in an Act, which cannot be reconciled with each other, they should be so interpreted that, 22 if possible, effect should be given to both. This is the essence of the rule of “*harmonious construction*”.

(4) The courts have also to keep in mind that an interpretation which reduces one of the provisions as a “*dead letter*” or “*useless lumber*” is not harmonious construction.

(5) To harmonise is not to destroy any statutory provision or to render it otiose.”

(ii) *CIT v. Hindustan Bulk Carriers*, (2003) 3 SCC 57 : 2002 SCC OnLine SC 1226:

“16. The courts will have to reject that construction which will defeat the plain intention of the legislature even though there may

be some inexactitude in the language used. (See Salmon v. Duncombe [(1886) 11 AC 627 : 55 LJPC 69 : 55 LT 446 (PC)] AC at p. 634, Curtis v. Stovin[(1889) 22 QBD 513 : 58 LJQB 174 : 60 LT 772 (CA)] referred to in S. Teja Singh case [AIR 1959 SC 352 : (1959) 35 ITR 408]).

18. The statute must be read as a whole and one provision of the Act should be construed with reference to other provisions in the same Act so as to make a consistent enactment of the whole statute.

19. The court must ascertain the intention of the legislature by directing its attention not merely to the clauses to be construed but to the entire statute; it must compare the clause with other parts of the law and the setting in which the clause to be 23 interpreted occurs. (See R.S. Raghunath v. State of Karnataka [(1992) 1 SCC 335 : 1992 SCC (L&S) 286 : (1992) 19 ATC 507 : AIR 1992 SC 81] .) Such a construction has the merit of avoiding any inconsistency or repugnancy either within a section or between two different sections or provisions of the same statute. It is the duty of the court to avoid a head-on clash between two sections of the same Act. (See Sultana Begum v. Prem Chand Jain [(1997) 1 SCC 373 : AIR 1997 SC 1006]).”

(iii) Franklin Templeton Trustee Services (P) Ltd. v. AmrutaGarg, (2021) 6 SCC 736 : 2021 SCC OnLine SC 88 at page 752: “

17. The concept of “absurdity” in the context of interpretation of statutes is construed to include any result which is unworkable, impracticable, illogical, futile or pointless, artificial, or productive of a disproportionate counter-mischief [SeeBennion on Statutory Interpretation, 5th Edn., p.969.] . Logic referred to herein is not formal or syllogistic logic, but acceptance that enacted law would not set a standard which is palpably unjust, unfair, unreasonable or does not make any sense. [Bennion on Statutory Interpretation, 5th Edn., p. 986.] When an interpretation is beset with practical difficulties, the courts have not shied from turning sides to accept an interpretation that offers a pragmatic solution that will serve

the needs of society [Id, p. 971, quoting Griffiths, L.J.] .Therefore, when there is choice between two interpretations, we would avoid a “construction” which would reduce the legislation to futility, and should rather accept the “construction” based on the view that draftsmen would legislate only for the purpose of bringing about an effective result. We must strive as far as 24 possible to give meaningful life to enactment or rule and avoid cadaveric consequences [See Principles of Statutory Interpretation by Justice G.P. Singh, 14th Edn., p. 50.]”

23. Further, similar non-obstante clause is also used in section 144C(4) with a same limited purpose to imply, even though there might be a larger time limit under Section 153, once the order of TPO is accepted or not objected to, causing a deeming fiction of acceptance, the final order is to be passed immediately. The object is to conclude the proceedings as expeditiously as possible and the authority need not wait for the last date to pass the orders. The limitation prescribed under the statute is for the assessing officer and therefore, it is his duty to pass order in time irrespective of whether the directions are received from DRP or not. As held by us above, the DRP will have no authority to issue directions after nine months and a further period of one month as per section 144C (13) and three months under section 153 (2A) is available, within which period no orders have been passed in the present cases. The reference made by the learned senior counsels on the judgments in Nokia India Private Ltd (supra) and Vedanta Ltd (Supra) is well founded. The timeline given under the Act is to be strictly followed.

24. In so far the show cause notice issued is concerned, though generally, the Court will be circumspect at the stage of show cause notice, the law on the point is well settled with exception carved in the following cases:

- a. when the notice is without authority,
- b. when notice is without authority
- c. when notice is issued without following the procedures under the applicable Act of the rules framed there under and
- d. when the notice is issued with a prejudiced mind.

The challenge must be available ex-facie leaving no room for the court to peruse or discuss intricate facts in the present case, the challenge is on the ground of limitation and hence, we hold that the proceedings under Article 226 of the constitution are maintainable.

25. As regards the relief sought in other appeals viz., W.A.No. 1517/2021 etc. batch, the findings rendered above are equally applicable. In these cases, for the assessment year 2009-10, the order of remand to the Assessing officer was passed on 18.12.2015 and insofar as the assessment year 2010-11 is concerned for one issue, it was passed on 18.12.2015 and for other two issues, it was passed on 23.09.2016 after the amendment, by which time, the time limit was brought down to 9 months. As such, fresh orders ought to have been passed before 31.03.2017 for the assessment year 2009-10 and for one issue relating to the assessment year 2010-11 reckoning the 12 months from the financial year 2015-16 and on or before 31.12.2017 reckoning 9 months from the financial year 2016-17. Therefore, the Assessing officer ought to have passed a draft assessment order immediately and asked the assessee to file their objections with the DRP. For the mistake and the lapse of the Assessing officer, the vested right of the Assessee cannot be taken away.

26. We are not oblivious of the fact that any finding on the aspect of reasonableness in time in passing orders when no time is provided would be superfluous in view of our decision in earlier paragraphs. It is necessary to decide on the issue as in this case, the revenue has taken more than 5 years in one appeal and 4 years in other appeals, which is unacceptable as rightly held by the learned judge. We are not alone on this issue and are fortified by the following judgments of the Hon'ble Supreme Court in this regard.

(i) Bharat Steel Tubes Ltd. v. State of Haryana, [(1988) 3 SCC 478: 1988 SCC (Tax) 409 at page 4871

15. Before we part with the case, we would like to indicate that assessment of tax should be completed with expedition. It involves the revenue to the State. In the case of a registered dealer who collects sales tax on behalf of the State, there is no justification for him to

withhold the payment of the tax so collected. If a timely assessment is completed, the dues of the State can be conveniently ascertained and collected. Delay in completion of assessment often creates problems. The assessee would be required to keep up all the evidence in support of his transactions. Where evidence is necessary, with the lapse of time, there is scope for its being lost. Oral evidence as and when required to be produced by the assessing authority may not be available if a long period intervenes between the transactions and the consideration of the matter by the assessing authority Long delay thus is not in the interest of either the assessee or the State. In view of the fact that a period of limitation has been prescribed for bringing the escaped turnover into the net of taxation, such an eventuality cannot be grappled with appropriately unless timely assessment is completed. In several taxing statutes, even in a situation like this, where assessment under Section 11(3) or 28(3) of the respective Acts is contemplated, a period of limitation is provided. Until by statute, such a limitation is provided, it is proper for the State Governments to require, by statutory rules or appropriate instructions, to ensure completion of assessments with expedition and reasonable haste but subject to rules of natural justice"

(ii) *Govt. of India v. Citedal Fine Pharmaceuticals, [(1989) 3 SCC 483 1989 SCC (Tax) 464 at page 487]*

6. Learned counsel appearing for the respondents urged that Rule 12 is unreasonable and violative of Article of for the recovery of duty. He urged that in the absence of any prescribed period for recovery of the duty as contemplated by Rule 12. the officer may act arbitrarily in recovering the amount after lapse of long period of time. We find no substance in the submission While it is true that Rule 12 does not but that by itself does not render the rule unreasonable or violative of Article 14 of the Constitution prescribed any period within which recovery of any duty as contemplated by the rule is to be made. in the absence of any period of limitation it is settled that every authority is to exercise the power within a reasonable period What would be reasonable period, would depend upon the facts of each case Whenever a question regarding the inordinate delay in issuance of

notice of demand is raised, it would be open to the assessee to contend that it is bad on the ground of delay and it will be for the relevant officer to consider the question whether in the facts and circumstances of the case notice of demand for recovery was made within reasonable period. No hard and fast rules can be laid down in this regard as the determination of the question will depend upon the facts of each case

(iii) (State of Punjab v. Bhatinda District Coop. Milk Producers Union Ltd., [(2007) 11 SCC 363: 2007SCC OnLine SC 1254 at page 367]

17. A bare reading of Section 21 of the Act would reveal that although no period of limitation has been prescribed therefor the same would not mean that the suomotu power can be exercised at any time

18. It is trite that if no period of limitation has been prescribed, statutory authority must exercise its jurisdiction within a reasonable period What, however, shall be the reasonable period would depend upon the nature of the statute, rights and liabilities thereunder and other relevant factors.

19. Revisional jurisdiction, in our opinion, should ordinarily be exercised within a period of three years having regard to the purport in terms of the said Act. In any event, the same should not exceed the period of five years. The view of the High Court, thus, cannot be said to be unreasonable. Reasonable period, keeping in view the discussions made hereinbefore, must be found out from the statutory scheme. As indicated hereinbefore, maximum period of limitation provided for in sub-section (6) of Section 11 of the Act is five years.

21. In SB Gurbaksh Singh v. Union of India ((1976) 2 SCC 181 1976 SCC (Tax) 177: (1976) 37 STC 425] Untwalia, J., speaking for the Bench, opined (SCC p. 188, para 15)

15. Apropos the fourth and the last submission of the appellant, suffice it to say that even assuming that the revisional power cannot be exercised suomotu after an unduly long delay, on the facts of this case it is plain that it was not so done. Within a few months of the passing of the appellate order by the Assistant Commissioner, the

Commissioner proceeded to revise and revised the said order. There was no undue or unreasonable delay made by the Commissioner. It may be stated here that an appeal has to be filed by an assessee within the prescribed time and so also a time-limit has been prescribed for the assessee to move in revision. The appellate or the revisional powers in an appeal or revision filed by an assessee can be exercised in due course. No time-limit has been prescribed for it. It may well be that for an exercise of the suo motu power of revision also the revisional authority has to initiate the proceeding within a reasonable time. Any unreasonable delay in exercise may affect its validity. What is a reasonable time, however, will depend upon the facts of each case"

23. The question at would be the reasonable period did not fall for consideration there The binding precedent of this Court, some of which had been referred to us heretofore had not The counsel appearing for the parties were remissin bringing the same to the notice of the Court Furthermore from a perusal of the impugned notice dated 4-9-2006 is Apparent that the resvisional authority did not assign any reason as to why such a notice was being issued considered after a period of 53% years"

Generally no hard and fast rule can be laid down to indicate what a reasonable time is. It though depends upon the facts of the each case drawing a clue from Article 113 of the Limitation Act the residual entry, it would be reasonable to conclude that in such cases, action is to be concluded within 3 years Needless to say if the statute prescribes shorter period, the doctrine of reasonable time will not be applicable and the timeline under the statute is to be strictly followed

27. For the reasons set out before, we conclude as under:-

(a) The provisions of Sections 144C and 153 are not mutually exclusive, but are rather mutually Inclusive. The period of limitation prescribed under Section 153 (24) or 153 (3) is applicable, when the matters are remanded back irrespective of whether it is to the Assessing Officer of TPO or the DRP, the duty is on the assessing officer to pass orders.

(b) Even in case of remand, the TPO or the DRP have to follow the time limits as provided under The Act. The entire proceedings including the hearing and directions have to be issued by the ORP within 9 months as contemplated under Section 144C (12) of the Income Tax Act.

(c) Irrespective of whether the DRP concludes the proceedings and issues directions or not, within 9 months, the Assessing officer is to pass orders within the stipulated time.

(d) In matter involving transfer pricing. upon remand to DRP, the Assessing officer is to pass a de-nova draft order and the entire proceedings as in the original assessment, would have to be completed within 12 months, as the very purpose of extension is to ensure that orders are passed within the extended period, as otherwise the extension becomes meaningless.

(e) The outer time limit of 33 months in case of reference to TPO under Section 153, would not refer to draft order, but only to final order and hence, the entire proceedings would have to be concluded within the time limits prescribed.

(f) The non-obstante clause would not exclude the operation of Section 153 as a whole. It implies that irrespective of availability of larger time to conclude the proceedings, final orders are to be passed within one month in line with the scheme of the Act.

(g) When no period of limitation is prescribed, orders are to be passed within a reasonable time, which in any case cannot be beyond 3 years. However, when the statute prescribes a particular period within which orders are to be passed, then such period, irrespective of whether it is short or long, shall be applicable.”

9. The above ratio laid down by the Hon'ble High Court of Madras in the case of Roca Bathroom Products Pvt. Ltd (supra) and also the Interim Order passed in the case of Shelf Drilling Ron Tappmeyer Ltd. by the Hon'ble Supreme Court and considering the overall circumstances, the

Co-ordinate Bench of the Tribunal of Hyderabad in plethora of orders decided the issue of limitation in favour of the Assessee by safeguarding the interest of the parties by granting liberty.

10. In view of the ratio laid down by the Hon'ble High Court of Madras in the case of Roca Bathroom Products Pvt. Ltd (supra) and also relying on the plethora of orders passed by the Co-ordinate Bench of the Tribunal of Hyderabad Bench (supra), in order to follow the principals of consistency as mere keeping the captioned Appeal pending in the Tribunal will not serve any purpose, therefore, by respectfully following those binding precedents, we hold that the impugned Final Assessment Order passed u/s 143(3) r.w.s. 144C(13) of the Act dated 28/05/2024 pertaining to Assessment Year 2020-21 is barred by limitation as per Section 153 r.w. Section 144C of the Act. Accordingly, the impugned Final Assessment Order is hereby quashed.

11. Since above issue of Limitation is pending adjudication before the Hon'ble Supreme Court in case of Shelf Drilling Ron Tappmeyer Ltd. (supra) and to be reached finality by the Larger Bench of the Hon'ble Supreme Court, we grant liberty to the parties to get the present Appeal revived for adjudication of the other issues on merits if the decision of the Hon'ble Supreme Court on this issue necessitates modification of this order. Accordingly, we dispose-off the captioned appeal on the limited

legal issue of limitation with liberty as mentioned above to the parties and keep open other issues raised by the Assessee on merits, subject to the outcome of the Judgment of the larger bench of the Hon'ble Supreme Court in the case of Shelf Drilling Ron Tappmeyer Ltd. (supra).

12. In the result, appeal of the Assessee is allowed.

Order pronounced in the open court on 23rd January, 2026

Sd/-
(MANISH AGARWAL)
ACCOUNTANT MEMBER

Date:- 23 .01.2026
ReshmaNaheed, Sr.P.S

Sd/-
(YOGESH KUMAR U.S.)
JUDICIAL MEMBER

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR
ITAT, NEW DELHI