

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH: 'E' NEW DELHI  
BEFORE SHRI YOGESH KUMAR U.S, JUDICIAL MEMBER  
AND  
SHRI AMITABH SHUKLA, ACCOUNTANT MEMBER  
ITA No. 4902/Del/2018 ( A.Y 2013-14)**

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| Oxygen Services (India) Private Limited, G-4, Community Centre, C Block, Naraina Vihar, Delhi 110028<br><b>PAN: AABCI1405K<br/>(APPLICANT)</b> | Vs | Joint Commissioner of Income Tax, Range 76, New Delhi<br><br><b>(RESPONDENT)</b> |
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| <b>Appellant by</b>  | <b>Sh. Anil Chopra, Adv, Sh. V. K. Garg, Adv</b> |
| <b>Respondent by</b> | <b>Ms. Ankush Kalra, Sr. DR</b>                  |

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| <b>Date of Hearing</b>       | <b>26.02.2026</b> |
| <b>Date of Pronouncement</b> | <b>15.04.2026</b> |

**ORDER**

**PER YOGESH KUMAR, U.S. JM:**

The present appeal is filed by the Assessee against the order of Ld. Commissioner of Income Tax (Appeals)-XXV, New Delhi, ('Ld. CIT(A)' for short), dated 08/05/2018 for the Assessment Year 2013-14.

2. Brief facts of the case are that, a reference was received by the A.O. vide letter dated 11/09/2015 from the Assistant Commissioner of Income Tax, Circle 76(1), Delhi indicating that Assessee has failed to deduct tax at source as required under the provisions of Chapter XVII-B of the Act pertaining to Assessment Year 2012-13. An order of penalty came to be passed on 19/04/2016 by imposing penalty under Section 271C of the Act of Rs. 4,43,734/- pertaining to Financial Year 2012-13. Aggrieved by the order of the penalty dated 19/04/2016,

Assessee preferred an Appeal before the Ld. CIT(A). The Ld. CIT(A) vide order dated 08/05/2018, dismissed the Appeal filed by the Assessee.

3. The Ld. Counsel for the Assessee submitted that the levying of the impugned penalty under Section 275 of the Act is barred by limitation and relying on the Judgment of the Jurisdictional High Court in the case of PCIT Vs. Turner General Entertainment Network India Pvt. Ltd.-[2024] 168 taxmann.com 634 (Del), sought for allowing the Appeal.

4. Per contra, the Ld. DR relying on the orders of the Lower Authorities sought for dismissal of the Appeal.

5. We have heard both the parties and perused the material available on record. In the present case, the penalty has been proposed by the Assistant Commissioner of Income Tax, circle 76 (1), New Delhi vide letter dated 11/09/2015, show cause notice has been issued on 26/11/2015 and the order of penalty came to be passed on 19/04/2016, however, as per Section 275(1) (C) of the Act, the limitation for passing order of penalty expires on 31/03/2016.

6. The Hon'ble Jurisdictional High Court in the case of Principal Commissioner of Income Tax, Central-2 Vs. Mahesh Wood Products (P) Ltd. [2017]82 Taxmann.com 39 held as under: -

*"9. However, this question came up for consideration in PCIT v. JKD Capital &Finlease Ltd. (supra). The date on which the AO recommended initiation of penalty proceedings was taken to be the relevant date as far as Section 275(1)(c) was concerned. There was no explanation for the delay of nearly five years in the ACIT acting on the said recommendation. The Court held that the starting point would be the 'initiation' of penalty proceedings. Given the scheme of Section 275(1)(c) it would be the date on which the AO wrote a letter to the ACIT recommending the issuance of the SCN. While it is true that the ACIT had the discretion whether or not to issue the SCN, if he did decide to issue a SCN, the limitation would begin to run from the date of letter of the AO recommending 'initiation' of the penalty proceedings."*

*"10. In the present case, the limitation in terms of Section 275 (1) (iii) of the Act began to run on 23rd July, 2012 and the last date for passing the penalty orders was 31st January, 2013. Therefore, the penalty orders issued on 26th February 2013 were clearly barred by limitation."*

7. In the present case, as the limitation prescribed under the Act expires on 31/03/2016, as the impugned penalty order has been passed on 19/04/2016, the same is barred by limitation. Accordingly, the impugned order of penalty is hereby quashed.

8. In the result, Appeal of the Assessee is allowed.

**Order pronounced in the Open Court on this 15<sup>th</sup> Day of April, 2026**

Sd/-

**(AMITABH SHUKLA)  
ACCOUNTANT MEMBER**

Dated: 15/04/2026

R. Naheed \*

**Copy forwarded to:**

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

Sd/-

**(YOGESH KUMAR U.S.)  
JUDICIAL MEMBER**

**ASSISTANT REGISTRAR  
ITAT NEW DELHI**

