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

\+   W.P. (C) 6111/2020

M/S GATEWAY GLOBAL
BUILDWELL PRIVATE LIMITED ...... Petitioner
Through: Mr. Bhupinder Jit Kumar, Advocate.

versus

INCOME TAX OFFICER, WARD-10(1), DELHI ...... Respondent
Through: Mr. Kunal Sharma, Senior Standing Counsel and Ms. Zehra Khan, Junior Standing Counsel.

% Date of Decision: 14th September, 2020

CORAM:
HON'BLE MR. JUSTICE MANMOHAN
HON'BLE MR. JUSTICE SANJEEV NARULA

J U D G M E N T

MANMOHAN, J: (Oral)

1. The petition has been heard by way of video conferencing.

2. Petitioner challenges the legality and validity of the notice dated 12th February, 2020 issued by respondent under Section 226 (3) of the Income Tax Act, 1961 (hereinafter referred to as 'Act, 1961') primarily on the

ground that the respondent without considering petitioner's application for stay and demand has proceeded to attach the bank account of the petitioner.

3. Learned counsel for the petitioner submits that this effectively amounts to rejection of stay application without any plausible reason and without the benefit of any written order.

4. Learned counsel for the petitioner emphasises that the demand raised is high-pitched demand inasmuch as the income assessed by the respondent is 478 times more than the income declared by the petitioner in its return of income. He states that the attachment of the bank account has resulted in irreparable hardship to the petitioner especially during the COVID-19 pandemic due to which all businesses are severely impacted.

5. He points out that the bank account attached by the respondent is the Project Bank account under the Real Estate (Regulation and Development) Act, 2016 which mandates that the outgo from such bank account shall be strictly for the purposes of project expenses only.

6. Issue notice. Mr. Kunal Sharma, learned senior standing counsel, accepts notice on behalf of the respondent.

7. Keeping in view the fact that the petitioner's application for stay dated 07th February, 2020 has not been disposed of by the Assessing Officer

till date, this Court directs the Assessing Officer to decide the petitioner's application for stay by way of a reasoned order within two weeks after hearing the petitioner or its authorised representative on 18th September, 2020 at 11:00 a.m.

8. In the event the petitioner's application is dismissed or rejected, the parties shall maintain status quo with respect to the attached bank account for two weeks thereafter so that the petitioner can file appropriate proceedings in accordance with law if it so desires.

9. With the aforesaid directions, the present writ petition stands disposed of.

10. The order be uploaded on the website forthwith. Copy of the order be also forwarded to the learned counsel through e-mail.

MANMOHAN, J

SANJEEV NARULA, J

SEPTEMBER 14, 2020
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