

ITEM NO.12

COURT NO.6  
S U P R E M E C O U R T O F I N D I A  
RECORD OF PROCEEDINGS

SECTION XIV

Petition(s) for Special Leave to Appeal (C) No(s). 21488/2017

(Arising out of impugned final judgment and order dated 17-05-2017 in WPC No. 5423/2016 passed by the High Court Of Delhi At New Delhi)

M/S. PIONEER OVERSEAS CORPORATION USA (INDIA BRANCH) Petitioner(s)

VERSUS

COMMISSIONER OF INCOME TAX (INTERNATIONAL TAXATION) 2 Respondent(s)

Date : 02-11-2022 This petition was called on for hearing today.

CORAM : HON'BLE MR. JUSTICE M.R. SHAH  
HON'BLE MR. JUSTICE M.M. SUNDRESH

For Petitioner(s) Mr. Ajay Vohra, Sr. Adv.  
Ms. Kavita Jha, AOR  
Mr. Udit Naresh, Adv.  
Mr. Anant Mann, Adv.

For Respondent(s) Mr. N. Venkataraman, ASG  
Chinmayee Chandra, Adv.  
Ms. Suhashini Sen, Adv.  
Mr. Siddhanth Kohli, Adv.  
Mr. V. Chandrashekhara Bharathi, Adv.  
Mr. Raj Bahadur Yadav, AOR

UPON hearing the counsel the Court made the following  
O R D E R

We have heard Mr. Ajay Vohra, learned Senior Advocate, assisted by Ms. Kavita Jha, learned Advocate, appearing for the petitioner and Mr. N. Venkataraman, learned ASG, appearing for the Revenue.

The issue involved in the present Special Leave Petition is with respect to the waiver of interest under Section 220(2A) of the Income Tax Act, 1961 (for short "the Act"). The appropriate competent Authority rejected the application of the petitioner for waiver of interest while exercising the powers under Section

220(2A) of the Act. The same has been confirmed by the High Court.

It is the case on behalf of the petitioner that as the dispute was pending for Mutual Agreement Procedure [MAP] resolution which subsequently came to be culminated in the year 2012 and the liability to pay the tax thereafter arose and therefore the petitioner shall be entitled to the waiver of interest under Section 220(2)(A)(ii) of the Act. The aforesaid has no substance. Merely raising the dispute before any authority cannot be a ground not to levy the interest and/or waiver of interest under Section 220(2A) of the Act. Otherwise each and every assessee may raise a dispute and thereafter may contend that as the assessee was *bona fide*ly litigating and therefore no interest shall be leviable. It is required to be noted that under Section 220(2) of the Act, the levy of simple interest on non-payment of the tax @ 1% p.a. is, as such, mandatory.

We are in complete agreement with the view taken by the High Court.

The Special Leave Petition stands dismissed.

(R. NATARAJAN)  
ASTT. REGISTRAR-cum-PS

(NISHA TRIPATHI)  
ASSISTANT REGISTRAR