Director of Income Tax (International Taxation) & Others v. Dolphin Drilling PTE Limited

Special Appeal No. 285 of 2015 (arising out of WPMS No. 200 of 2011)

2025:UHC:7097-DB | Special Appeal No. 285 of 2015 | 2025-08-12

Section 147/148 notice concerning disputed ownership of Bellford Dolphin: prior depreciation-quantum appeals did not decide ownership; Revenue appeal allowed and Single Judge's quashing order set aside.

Income-tax Act, 1961: sections 143(3), 147, 148 and 254; Constitution: Article 226

High Court of Uttarakhand | 2-judge bench (Division Bench) | Manoj Kumar Tiwari, J. | Subhash Upadhyay, J.

Assessment years: 2004-05 and 2005-06 mentioned in earlier appellate proceedings

Ownership remains a disputed factual question

The Division Bench set aside the order quashing reassessment notices. It did not finally decide vessel ownership or quantify a depreciation disallowance. The source spells the vessel Bellford Dolphin.

01 FACTS OF THE CASE

Revenue challenged the 3 April 2015 order in WPMS 200/2011 quashing reassessment notices. It alleged a Rs. 3,05,73,40,212 depreciation claim and Rs. 1,31,71,89,885 allowance on Bellford Dolphin despite ownership by Fred Olsen Drilling A.S. It relied on ONGC material encountered in related Dolphin Drilling Limited's AY 2005-06 proceedings. Objections were rejected on 20 December 2010.

Source: PDF pp. 1-3, paras 1-5

02 DISCUSSION BY THE HON'BLE COURT

The respondent could not identify any CIT(A)/ITAT passage deciding ownership. The Bench found those appeals concerned only depreciation quantum, leaving eligibility and ownership unexamined. Ownership was a disputed fact for the tax authorities. It relied on Chhabil Dass Agarwal, (2014) 1 SCC 603, and Vijaybhai Chandrani, (2013) 14 SCC 661, concerning statutory remedies and premature writ challenges.

Source: PDF pp. 4-9, paras 10-18

03 JUDICIAL DECISION

The appeal was allowed and the Single Judge's judgment in WPMS 200/2011 was set aside. The Bench held interference with the notices unwarranted and left the factual ownership question to the authorities under the Act.

Source: PDF pp. 8-9, paras 18-19

04 OUTCOME / IN WHOSE FAVOUR

Revenue succeeds in reversing the quashing of reassessment notices. This is not a final adjudication that the respondent lacked ownership or that the stated depreciation must be disallowed.

Source: PDF pp. 5 and 8-9, paras 15 and 18-19

05 EXPERT COMMENTS

Identify what the earlier appeals actually decided — The decisive distinction is between depreciation quantum and eligibility based on ownership. The Bench asked for a passage showing an earlier ownership determination and none was produced. An appellate-history objection therefore requires the actual issues and reasons, not merely proof that depreciation featured in earlier appeals. The judgment does not announce that every later ownership allegation defeats every reopening objection.

The alleged title defect still needs factual determination — Revenue's account of the MOU, ONGC correspondence and related-entity transactions supplied the dispute; paragraphs 15 and 18 reserve ownership to the statutory authorities. Treating the allegation as a completed finding would erase the reason the writ forum declined to decide it. The source's paragraph 7 says transfers were supported by proper documentation; that wording should not be silently reversed.

Use the authorities the Court actually relied on — The reproduced Supreme Court passages concern effective statutory remedies and notice-stage challenges, and the Chhabil Dass extract recognises exceptions. Raymond Woollen Mills and Phool Chand Bajrang Lal are not cited here. Nor does this order number the merger provision as a third proviso; paragraph 9 records the respondent's second-proviso submission. These distinctions prevent an altered rationale from being attributed to the Bench.

Source: Editorial analysis; source references in the structured comments

SOURCE & VERIFICATION

High Court of Uttarakhand official judgment PDF - AKHB Cloud Repository (20250812_UKHC010013602015.pdf)

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All 9 original pages read and visually inspected; source hash verified. AI-assisted substantive correction.

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STATUTORY SCOPE

The judgment expressly discusses sections 147/148 and Article 226; section 143(3)/254 appears in the account of related-entity proceedings. It does not cite section 32 or analyse a numbered third proviso. Paragraph 9 records the respondent's second-proviso contention.

LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment not independently verified.

AI DISCLOSURE

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