TAX JUDGMENTS / DETAILED REVIEW

Global Hospitality Licensing SARL

COURT / TRIBUNAL	Bombay High Court
CASE NUMBER	Writ Petition No. 1611/2024
DECISION / ASSESSMENT YEAR	2026-06-22 / 2009-10

SUBSEQUENT CASE STATUS

Appeal, review, recall and stay status has not been independently confirmed.

01 Facts and procedural setting

Twenty-six pages, 2026:BHC-OS:14043-DB, B.P. Colabawalla/Firdosh P. Pooniwalla JJ. AY 2009-10 international marketing receipts were assessed as business profits; CIT(A)'s 31 December 2018 order required royalty treatment at the beneficial rate, TDS verification and hearing. No order giving effect followed within the accepted limitation period. A 30 March 2023 section 271(1)(c) penalty of 12,11,070 was challenged.

02 Issues and submissions

Whether failure to give timely effect caused assessment proceedings to abate and undermined penalty. Revenue argued that the order was administrative and refund interest cured prejudice. Other penalty objections were advanced but not decided.

03 Decision and ratio

Paragraphs 25-32 apply section 153(5)'s second proviso with section 153(3), on the accepted receipt in FY 2018-19 and deadline 31 December 2019. Giving effect involved substantive computation and civil consequences, not a dispensable administrative act. Assessment abated, returned income was accepted and penalty lost its foundation. Paragraphs 34-37 quash penalty/demand and require refund of sums recovered pursuant to the impugned assessment/penalty with applicable interest.

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EXPERT APPLICATION / SOURCE CAUTIONS / LATER TREATMENT

04 Expert application

Prove receipt by the relevant statutory authority, the appellate directions requiring verification/hearing, the applicable version of section 153, expiry and absence of a valid giving-effect order. Do not calculate the statutory clock solely from the taxpayer's receipt or treat every routine refund delay as abatement.

05 Qualifications and subsequent decisions

The Court did not decide the section 275 and notice-defect objections. The nine-month period applied to the statutory provision and dates in this case; it is not a universal deadline for every order giving effect.

Original judgment

Read the original judgment / order

Read this case review with the original judgment. Application depends on the facts, statutory provisions, assessment year and jurisdiction.

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