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% 28.03.2011

Present: Mr.Sanjeev Sagar, Advocate for the Petitioner.  
Mr.M.P.Sharma, Advocate for the Respondent.

+ CM No.4391/2011 in WP(C) No.2056/2011

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Allowed, subject to all just exceptions.

The application stands disposed of.

WP(C) No.2056/2011

Heard Mr.Sanjeev Sagar, learned counsel for the petitioner and Mr.M.P.Sharma, learned counsel for the respondents.

The petitioner bank, namely, Standard Chartered Bank was issued notices under Section 226(3) of the Income Tax Act, 1961 (for brevity, 'the Act') on various dates demanding the petitioner bank to pay amount of FDR and refund on overdraft of the account amounting to Rs.46,31,313.60 for realization of Rs.733.45 lacs from the third respondent, namely, Gurbachan Singh. As is demonstrable, from the communications filed by the petitioner bank that they had filed objections contending inter alia the petitioner bank had first charge/lien and regard being had to the enormous loan availed by the said Gurbachan Singh, the notice under Section 226(3) of the Act should be withdrawn.

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Without dealing with the objections filed by the petitioner bank, n a notice dated 3.3.2011 has been issued why Section 281(1) of the Act should not be invoked.

Learned counsel for the petitioner would submit that the department had not passed any order or communicated how it has dealt with the objections raised by the petitioner and proceed to pass/issue the said order/notice which is arbitrary, unreasonable and unsustainable. The petitioner bank apprehends that the respondents are proceeding in a great haste and without even examining the case of the petitioner, coercive steps will be taken.

On a query being made, Mr.M.P.Sharma, learned counsel for the respondents No.1 and 2, fairly submitted that no order has been passed.

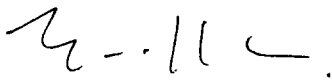
In view of the aforesaid, we would like respondents No.1 and 2 to pass a reasoned order on the basis of the stand taken by the petitioner-bank and communicate to it within a period of eight weeks from the date of receipt of the order passed today. Till the matter is finalized at the ends of the respondent, no coercive steps shall be taken against the petitioner-bank. After the order is passed, the same shall be kept in abeyance for a period of



two weeks to enable the petitioner bank to take recourse to legal remedy  
so, advised.

The writ petition is disposed of without any order as to costs.

  
**CHIEF JUSTICE**

  
**SANJIV KHANNA, J**

**MARCH 28, 2011**

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