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Delhi High Court is hearing a petition by Sr. Adv. Abhishek Manu Singhvi against the Central Board of Direct Taxes - filed in response to a penalty on Singhvi of about Rs. 57 crores, imposed for undisclosed income of almost Rs. 91 crores.

Singhvi is making submissions on merits of the case.

Delhi High Court has asked Solicitor General Tushar Mehta to consider not taking any precipitative action against Singhvi.

Singhvi: Government has taken a lot of action to reduce tax related litigation. Singhvi refers to a scheme meant to reduce direct tax litigation taken out by the government.

Singhvi: I'm jumping out of sequence to refer to a CBDT Circular which repeats the same objects which were laid down in the Direct Tax Vivad Se Vishwas Act.

Singhvi: "Specified date" in the Act means Jan 1, 2020, which means they were adding some element of retroactivity as well in the legislation (up to 3 months).

Singhvi: The amazing part is that this Act requires entry only on 2 conditions: one, that there should be a pendency of writ, SLP or appeal, two, that it should be pending on a certain date. There is no other affirmative condition!

Singhvi: The provisions of this Act shall not apply in respect of tax arrears for a search case (search cases only above Rs. 5 crores).

Del HC: Does it include pendency before ITSC?

Singhvi: No, it doesn't include matters pending before ITSC.

Singhvi: One case I'm arguing is of search, within the Rs. 5 crore limit. The other case is of ITSC.

Singhvi: There is no model of the Act saying this nature of proceeding is included and this is not included.
Del HC: What is the amount being discussed here? Is it the amount before the ITSC or the one mentioned in this writ?

Singhvi: It is the amount in this writ. It does not exceed Rs. 5 crores.

Sr. Adv. Arvind Datar: The question is that when an Act has excluded certain things from its scheme, can a Circular subsequently add those things?

Court directs for the matter to be heard on Jan 12.

Solicitor General Tushar Mehta: I request for the matter to be held on Jan 13, as it doesn't concern a petition or petitioner, but would apply to the entire country.

Singhvi: My friend is trying to show that there would be an avalanche of matters but that is more imaginary than real.

Court: That is besides the point here for now.

SG Mehta: I'm not showing a red flag here, just telling that I'm not arguing against a particular petitioner here.

Singhvi: I am in agreement that whatever is decided would be the law.

The court has posted the matter for further hearing on Jan 12.