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SBC Tax Alert

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Supreme Court grants extension of limitation in filing petitions, applications, suits, appeals, etc.

Honourable Supreme Court of India takes into cognizance the time limit for filing petitions, applications, suits, appeals, etc. Extends the time limit for all such cases due between 15th March 2020 – 02nd October 2021 to 90 days w.e.f from 03rd October 2021.

Executive Summary

This Alert summarizes a recent Order of the Honourable Supreme Court (SC) dated 23rd September 2021 in Miscellaneous Application No. 665 of 2021. Vide such order, the SC has issued the following directions:

- ▶ In computing the period of limitation for any suit, appeal, application, or proceeding, the period from 15th March 2020 till 02nd October 2021 shall stand excluded.
- ▶ Limitation for making any filings for the above period shall be 90 days from 03rd October 2021 or any longer period as per provisions, whichever is greater.

Background

Recently, due to an extraordinary situation caused by the sudden outburst of the second wave of COVID-19, the SC vide order dated 27th April 2021 had restored its earlier order of 23rd March 2020 (and revoked its order dated 8 March 2021) and directed that period of limitation, as prescribed under any general or special laws, in respect of all judicial or quasi-judicial proceedings, whether condonable or not, shall stand extended till further orders.

The Current order has been issued to provide the timelines in continuation of the above.

Sequence of events and the SC directives on extension of timelines:

- ▶ The SC vide its order dated 23rd March 2020, taking into cognizance of difficulties that might be faced by the litigants due to Covid-19 outbreak, had directed extension of the period of limitation in all proceedings before the Courts/Tribunals w.e.f. 15th March 2020 till further orders.
- ▶ Considering the reduction in Covid-19 cases, the SC then on 08th March 2021 directed that the period to be excluded shall end on 15th March 2021.
- ▶ However, due to the extraordinary situation caused by the surge in Covid-19 cases, the SC on 27th April 2021 restored its order dated 23rd March and directed that period of limitation shall stand extended till further orders.
- ▶ The Central Board of Direct Taxes (CBDT) vide its Circular No. 10/2021 dated 25 May 2021 clarified that the time limit for filing appeals before Commissioner of Income-tax (Appeals) [CIT(A)] shall be governed by the SC order and thereby such limitation shall remain extended open until further order of the SC.



Particulars	Honourable SC Directions on period of limitation for all judicial or quasi-judicial proceedings	
	27-04-2021 (Earlier)	23-09-2021 (Now issued)
Period to be excluded	From 15-03-2020 till further orders	15-03-2020 to 02-10-2021
Period of limitation	Condoned till further orders	90 days from 03-10-2021 or actual balance whichever is higher

Now, the SC has issued order dated 23rd September 2021 providing the limit for extension of timelines provided earlier and has directed as under:

- ▶ The order dated 23rd September 2021 was passed in view of the extraordinary health crisis.
- ▶ Order dated 08th March 2021 had put an end to the relaxation provided till 15th March 2021.
- ▶ However, as the containment zones continue in some of the States even today, the following is directed:
 - A) Period from 15th March 2020 to 02nd October 2021 shall stand excluded from the period of limitation and the same shall become available w.e.f. 03rd October 2021
 - B) Period of limitation, in respect of all judicial or quasi-judicial proceedings, within the above period shall be
 - ▶ 90 days from 03rd October 2021
 - ▶ Actual balance remaining, Whichever is greater

SBC Comments:

- ▶ As the situation is normalizing and vaccination efforts and coverage is increasing, the SC has now put a rest to the period of exclusion in calculating the period of limitation for various appeals and proceedings.
- ▶ The SC order provides much-needed relief in these tough times and thereby all the appeals due between 15th March 2020 to 02nd October even under Income-tax Act, 1961, may now be filed as per the time limits provided.
- ▶ For all the taxpayers, where there has been any rejection of appeal or condonation, may peruse and provide the authorities with the above SC order.





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