

Transfer Pricing Update

**Karnataka HC quashes TPOs
unsigned order barred by
limitation**



Karnataka High Court quashed TPOs
unsigned order barred by limitation and
consequent draft order

In the recent ruling of Hon'ble Karnataka High Court (HC) in the case of Toyota Tausho India Private Limited¹ allows writ petition, quashes TPO's order and the consequent draft assessment order as barred by limitation for AY 2018-19.

Assessee contended that the last date to pass order by TPO was 31.07.2021, however, Assessee received an e-mail on 02.08.2021 enclosing a copy of TPO order, which was both digitally and physically unsigned and also not available on the ITBA portal; Assessee further submitted that subsequently, it received one more email on 13.08.2021 purporting to enclose a copy of physically / manually signed TPO

¹ TS-251-HC-2024(KAR)-TP]

order dated 31.07.2021, however, on 16.08.2021, the unsigned TPO order was uploaded on ITBA portal after expiry of time limit and without even being authenticated by the TPO's digital signature.

In this context, Hon'ble HC stated that it was incumbent upon the TPO order to be digitally signed in terms of the CBDT Circular dated 12.02.2018 r/w Section 282A of the I.T.Act. Under these circumstances, it is clear that the TPO order having not been signed digitally before purporting to be passed and uploaded on 31.07.2021 is clearly illegal and non-est and the same deserves to be quashed.

Accordingly allows the petition and quashes TPO's order and the consequent draft assessment order dated 29.09.2021.

For details, please refer judgement of Karnataka HC in case of Toyota Tausho India Private Limited [TS-251-HC-2024(KAR)-TP]

<https://www.dpncindia.com/wp-content/uploads/2024/07/TS-251-HC-2024KAR-TP-TOYOTA-TAUSHO-INDIA-PRIVATE-LIMITED.pdf>

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