

## **No recovery from director if SCN was silent as regards steps taken by AO for recovering tax from Co.: HC**

Where Assessing Officer passed an order under section 179 on assessee, ex-director of a company, holding him liable for payment of tax due from company, since show cause notice issued to assessee was silent as regards steps taken by Assessing Officer for recovering tax from company, impugned order deserved to be set aside.

Section 179 of the Income-tax Act, 1961 - Company in liquidation - Liabilities of directors (Scope of provision) - Assessment years 2006-07 to 2009-10 and 2011-12 - Assessee was a director of a company till 15-1-2009 on which date he resigned from directorship - Assessing Officer issued a notice under section 179 to assessee to show cause as to why he should not be treated jointly and severally liable for payment of tax pertaining to assessment years 2006-07 to 2009-10 and 2011-12 due from company - He passed an order under section 179 holding assessee responsible and liable for payment of tax due from company - Whether since show cause notice was silent as regards steps taken by Assessing Officer for recovering tax from company, impugned order deserved to be set aside - Held, yes [Paras 8 and 9] [In favour of assessee]

**Click below link for the judgment:**

<https://www.taxmann.com/research/direct-tax-laws/top-story/101010000000341439/no-recovery-from-director-if-scn-was-silent-as-regards-steps-taken-by-ao-for-recovering-tax-from-co-hc-caselaws>

*(Source: Taxmann.com)*