IN THE HIGH COURT OF JUDICATURE AT MADRAS
DATED : 31.03.2021
CORAM
THE HON'BLE MR.JUSTICE M. DURAISWAMY
AND
THE HON'BLE MRS.JUSTICE T.V. THAMILSELVI
Tax Case Appeal No.186 of 2013

The Commissioner of Income Tax,
Chennai. ...Appellant

Vs.

M/s.Lifecell International Pvt. Ltd.,
No.26, Vandalur Kelambakkam Main Road,
Keelakottaiyur Village,
Sriperumbudur - 600 048. ...Respondent

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, Chennai "A" Bench, dated 03.05.2012 passed in I.T.A.No.342/Mds/2012, Prefered against the order of the Income Tax Appellate Tribunal 'A' Bench, Chennai, Dated 03.05.2012 made in ITA No.342/mds/2012 for the Assessment year 2008-2009. Preffered against the order of the Commissioner of Income Tax (Appeals) IV, 121 Mahatma Gandhi Road, Chennai 34, Dated 02.11.2011 made in ITA No.405/11-12/A-IV, prreffered against the order of the Deputy Commissioner of Income Tax, Company Circle II(4), Room No. 514, New Block, 121, MG Road, Nungambakkam, Chennai 34 dated 31.12.2010 made in PAN/GIR No.AAECA7997B.

For Appellant : Mr.Karthik Ranganathan
Senior Standing Counsel

For Respondent : Mr.R.Sivaraman

JUDGMENT
(Delivered by M.DURAISWAMY, J.)

This appeal filed by the Revenue under Section 260A of the Income Tax Act, 1961 ('the Act' for brevity), is directed against the order dated 03.05.2012 passed by the Income Tax Appellate Tribunal, Chennai "A" Bench, ('the Tribunal' for brevity) in I.T.A.No.342/Mds/2012 for the assessment year 2008-09. The above appeal has been admitted on 08.07.2013 on the following Substantial Questions of Law:

"1.Whether on the facts and in the circumstances

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of the case, the Income Tax Appellate Tribunal was right in holding that the storage fee collected by the assessee in lump sum cannot be treated as income of the year of receipt?

2.Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in holding that out of the lumpsum payment received by the assessee, only a portion of the fee for particular year as income is to be treated and the balance to be carried forward till the completion of 21 years on a pro rata collection of yearly basis?

3.Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in holding that the lumpsum collected was not to be taxed in the year of receipt which is contrary to Section 5(1) of the Income Tax Act?

4.Whether the finding of the Tribunal is proper especially when the clauses in the agreement clearly shows that all fee paid by the client are not refundable and there is no certainty that the services would be utilized by the parents during the entire contract period especially when no expenditure on account of refund of storage fee was claimed by the assessee?"

2. We have heard Mr.Karthik Ranganathan, learned Senior Standing Counsel for the appellant/Revenue and Mr.R.Sivaraman, learned counsel for the respondent/assessee.

3. It may not be necessary for this Court to decide the Substantial Questions of Law framed for consideration on account of certain subsequent developments. The Government of India enacted the Direct Tax Vivad Se Vishwas Act, 2020 (Act 3 of 2020) to provide for resolution of disputed tax and for matters connected therewith or incidental thereto. The Act of the Parliament received the assent of the President on 17th March 2020 and published in the Gazette of India on 17th March 2020.

4.Learned counsel for the respondent/assessee submitted that the assessee had availed the Vivad Se Vishwas Scheme and that the respondent/assessee had already been issued with Form-

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3 on 30.12.2020.

5.Since the respondent/assessee had been issued with Form-3, nothing survives for adjudication in the above appeal. Recording the submission made by the learned counsel for the respondent/assessee, the Tax Case Appeal stands disposed of. No costs.

Sd/-

Assistant Registrar

//True Copy//

Sub Assistant Registrar

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To

1.Income Tax Appellate Tribunal, Chennai "A" Bench, Chennai

2.The Commissioner of Income Tax (Appeals)-IV,
121,Mahatma Gandhi Road,
Chennai 34.

3.The Deputy Commissioner of Income Tax, Company Circle II(4)
Nungambakkam, Chennai 34.

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