IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 22.04.2021

CORAM

THE HON'BLE MR.JUSTICE M. DURAISWAMY
AND
THE HON'BLE MR.JUSTICE KRISHNAN RAMASAMY

Tax Case Appeal No.298 of 2017

Principal Commissioner of Income Tax 4,
No.121, Mahatma Gandhi Road,
Chennai - 600 034. ... Appellant / Appellant

Vs.

M/s.Lifecell International Pvt. Ltd.,
26, Vandalur Kelambakkam Main Road,
Keelakottaiyur Village,
Chennai - 600 048. ... Respondent / Respondent

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, Madras "A" Bench, dated 22.07.2016 passed in I.T.A.No.527/Mds/2016, for the Assessment year 2011-12 as against the order dated 21.12.2015, by the Commissioner of Income Tax (Appeals)-8, in ITA.No.31/2014-2015, and as against the order dated 27.02.2014 by the Deputy Commissioner of Income Tax, Company Circle-II(4) Nungambakkam, Chennai-34 for the PAN NO.AAECA7997B for the assessment year 2011-2012.

For Appellant : Mr.Karthik Ranganathan
Senior Standing Counsel

For Respondent : Mr.N.V.Balaji

J U D G M E N T
(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 22.07.2016 passed by the Income Tax Appellate Tribunal, Chennai "A" Bench, ('the Tribunal' for brevity) in I.T.A.No.527/Mds/2016 for the assessment year 2011-12. The above appeal has been admitted on 05.07.2017 on the following Substantial Questions of Law:

"1.Whether the storage fee collected in lump sum for several years would have to be treated as income of the year in which lump sum fee received?

2.Whether the lump sum fee collected for 21 years but received in the same financial year can be directed to be taxed on pro rata basis even though the assessee might be following Mercantile system of accounting?

3.Whether the Tribunal erred in law in directing that the storage fee collected by the assessee in lump sum should not be treated as income of the year of receipt but taxed on pro rata basis, notwithstanding specific clauses of the agreement executed by the assessee to the effect that all fees paid by the clients of the assessee would be non-refundable?"

2. We have heard Mr.Karthik Ranganathan, learned Senior Standing Counsel for the appellant/Revenue and Mr.N.V.Balaji, 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-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(CS-VI)

//True Copy//

Sub Assistant Registrar

mkn

To

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

2.The Principal Commissioner of Income Tax 4,
No.121, Mahatma Gandhi Road,
Chennai - 600 034.

3.The Commissioner of Income Tax(Appeals)-8
No 121 Mahatma Gandhi Road,
Nungambakkam, Chennai-34.

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

+1cc to Mr.T.V.Muthu Abirami, Advocate, S.R.No.24792

Tax Case Appeal No.298 of 2017

SVI(CO)
SB(13/08/2021)