IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 30.08.2022

CORAM :

THE HONOURABLE MR. JUSTICE R. MAHADEVAN
AND
THE HONOURABLE MR. JUSTICE MOHAMMED SHAFFIQ

T.C.A.Nos.1046 to 1049 and 1066 to 1069 of 2015
and
M.P.Nos.1,1,1,1,1 and 1 of 2015

Commissioner of Income Tax Central I,
121, M.G.Road,
Chennai 600 034. ... Appellant in all TCAs

Versus

M/s. SRM Systems and Software Pvt.Ltd.,
120, G.N.Chetty Road,
T.Nagar, Chennai 600 017.
PAN: AAB CS 5118 D ... Respondent in all TCAs

Appeals preferred under Section 260A of the Income Tax Act, 1961, against the order dated 18.11.2014 and 28.10.2013 passed by the Income Tax Appellate Tribunal, "B" Bench, Chennai, in MP.Nos.40, 41, 42 and 43/Mds/2014 and I.T.A.Nos.993, 994, 995 and 996/Mds/2013.

For Appellant : Mr.J.Narayanaswamy
Senior Standing Counsel in all TCAs

For Respondent : Mr.Baskar

for Mr.N.Muthukumaran in all TCAs

COMMON JUDGMENT

(Judgment of the Court was delivered by R.MAHADEVAN, J.)

These tax case appeals have been filed by the appellant / Revenue, challenging the orders dated 18.11.2014 and 28.10.2013 passed by the Income Tax Appellate Tribunal, "B" Bench, Chennai, in MP.Nos.40, 41, 42 and 43/Mds/2014 and I.T.A.Nos.993, 994, 995 and 996/Mds/2013, relating to the respective assessment years 1999-2000, 2000-01, 2000-01, 2001-02, 1999-2000, 2000-01, 2000-01 and 2001-02, by raising the following substantial questions of law:

TCA.Nos.1046 to 1049 of 2015:-

"(i) Whether on the facts and in the circumstances of the case, the Appellate Tribunal was right in quashing the assessment orders made under Section 153C of the Income Tax Act without verifying the Satisfaction Note recorded by the Assessing Officer?

(ii) Whether on the facts and in the circumstances of the case, the Income Tax Tribunal was right in not dealing with the grounds raised by the revenue which is contrary to the judgment of the Madras High Court reported in 263 ITR page 5 wherein it had been held that specific grounds raised had to be adjudicated by

the Tribunal? "

TCA.Nos.1066 to 1069 of 2015:-

"(i) Whether on the facts and in the circumstances of the case, the Appellate Tribunal was right in quashing the assessment orders holding that the assessing officer has not recorded the reasons before initiating proceedings under Section 153BC of the Income Tax Act?

(ii) Whether on the facts and circumstances of the case, the Tribunal was right holding that recording of reasons/satisfaction which is neither mentioned in section 153BC of the Act nor in the circular explaining the new provisions introduced in the Finance Act 2003?

(iii) Whether on the facts and in the circumstances of the case, the Tribunal was right in NOT dealing with the grounds raised by the revenue which is contrary to the Judgment of the Madras High Court reported in 263 ITR page 5 wherein it had been held that specific grounds raised had to be adjudicated by the Tribunal?

(iv) Whether in the facts and circumstances of the case, is the Tribunal justified in granting relief for Assessment year 2005-06 on the ground that no satisfaction note was recorded under Section 153C, when Section 153C is not applicable to the impugned year?"

2. When the matters were taken up for consideration, the learned

counsel for the appellant / Revenue brought to the notice of this court the Circular No.17/2019 dated 08.08.2019 issued by the Central Board Direct Taxes, wherein, it is stipulated that appeals shall not be filed/pursued by the Department before the High Court in cases where the tax effect does not exceed Rs.1,00,00,000/- (Rupees One Crore). It is also submitted that the tax effect in these appeals is less than the threshold limit.

3. In the light of the aforesaid submissions made by the learned counsel for the appellant / Revenue, the present appeals, wherein, the tax effect is said to be less than the monetary limit imposed, are dismissed as withdrawn, keeping open the substantial questions of law for determination in appropriate cases. No costs. Consequently, connected miscellaneous petitions are closed.

(R.M.D., J.) (M.S.Q., J.)
30.08.2022

Internet : Yes
Index : Yes / No

To

1. The Income Tax Appellate Tribunal,
   "B" Bench, Chennai.

2. The Commissioner of Income Tax Central I,
   121, M.G.Road, Chennai 600 034.

3. The Deputy Commissioner of Income-tax,
   Central Circle - 1(3),
   Chennai.

4. The Commissioner of Income Tax (Appeals)- II,
   Chennai.

R. MAHADEVAN, J.
and
MOHAMMED SHAFFIQ, J.

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