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TCA Nos.1236 of 2009 etc.

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 23.07.2025

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THE HON'BLE MR.MANINDRA MOHAN SHRIVASTAVA,
CHIEF JUSTICE

AND

THE HON'BLE MR.JUSTICE SUNDER MOHAN

TCA Nos.1236, 1237 and 1238 of 2009

Commissioner of Income Tax
Company Circle-I (3)
Coimbatore

: Appellant in all appeals

Vs

M/s ELGI Equipments Ltd.
ELGI Industrial Complex Singanallur
Coimbatore 641 005

: Respondent in all appeals

Prayer: Appeals filed against the order of the Income Tax Appellate Tribunal, Madras "D" dated 14.03.2008 in ITA Nos.1454, 1455 and 1456/Mds/2006.

For Appellant : Mr.V.Mahalingam,
Senior Standing Counsel

For Respondent : Mr.N.V.Balaji



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COMMON JUDGMENT

(Delivered by the Hon'ble Chief Justice)

These appeals have been admitted on the following substantial questions of law :

"1. Whether on the facts and circumstances of the case, the Tribunal was right in deleting the interest levied under Section 234-D of the Income Tax Act; and

2. Whether on the facts and circumstances of the case, the Tribunal was right in holding that dis-allowances of bad debts amounting to Rs.30,20,000/- was not proper?"

2. However, during the course of hearing, learned counsel for the Revenue pointed that these appeals were wrongly admitted on the above questions of law, which in fact were framed in another set of appeals viz., TCA Nos.1239, 1240 and 1241 of 2009, which were listed for analogous hearing on 08.12.2009.



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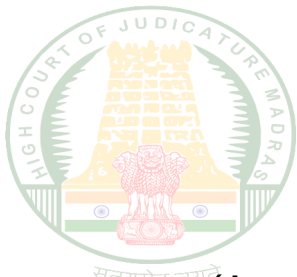
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3. We have gone through the memo of three appeals before us and find that an entirely different issue was raised and even the questions of law proposed were different. It appears that while these appeals were listed for hearing before this Court on 08.12.2009, another set of appeals, viz., TCA Nos.1239, 1240 and 1241 of 2009 were also listed, which involved questions of law as framed by this Court in the common order passed on 08.12.2009.

4. Therefore, these appeals cannot be heard on the questions of law as framed, as it bears no connection with the present appeals.

5. This being an old matter, we granted the learned counsel for the Revenue an opportunity to satisfy this Court whether these appeals involve the questions of law as proposed by the Revenue.

6. Learned counsel for the Revenue argued that the view taken by the Tribunal while upsetting the order of the CIT (Appeals) that the CIT (Appeals) had no power to issue direction in respect of any other year except the year before him is legally incorrect. He would submit that though the Tribunal upheld the observations made by the CIT



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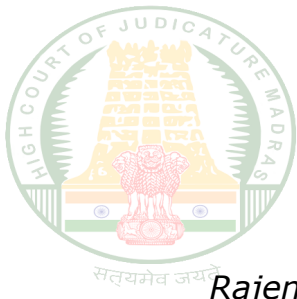
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(Appeals) insofar as the Assessing Officer's objection regarding non-accounting of the discount of the entire Rs.5.51 Crore in the first year is concerned, on misconceived notion of law and wrongly applying the principles laid down by the Supreme Court in the case of **Rajendar Na & S 335**), the Tribunal proceeded to pass an order in favour of the Assessee and against the Revenue.

7. Irrespective of whether the assessment in respect of the year which were under consideration before the CIT (Appeals) was correct in law or not, we find that the Tribunal, in taking the view in favour of the Assessee and against the Revenue that the CIT (Appeals) had no power to issue direction in respect of any other year except the year before him.

8. We have gone through the order passed by the CIT (Appeals). The three decisions which have been relied upon by the learned counsel for the Revenue were directly applicable in the present case.

9. Their Lordships of the Hon'ble Supreme Court in the case of



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Rajender Nath vs. CIT (supra) clearly held that the expression “direction” as referred to under Section 153(3)(ii) of the Income Tax Act, must be an express direction necessary for the disposal of the case before the authority or Court. It must also be a direction which the authority or Court is empowered to give while deciding the case before it. It was finally concluded that the expressions “finding” and “direction” in Section 153(3) (ii) must be accordingly confined. This is not a provision enlarging the jurisdiction of the authority or Court.

Similar view was taken in

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a) also.

10. In our considered view, the order of the Tribunal is in accordance with the scheme of statutory provisions as contained under Section 153(3)(ii) of the Income Tax Act and the order of the Supreme Court, as referred to above.



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11. Therefore, in any case, even after giving the learned counsel for the Revenue an opportunity of hearing, we do not find any substantial question of law requiring these appeals to be heard after framing new questions of law.

12. In the result, the appeals stand dismissed. There will be no order as to costs.

(MANINDRA MOHAN SHRIVASTAVA, C.J.) (SUNDER MOHAN, J.)

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Index : Yes/No
Neutral Citation : Yes/No
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TCA Nos.1236 of 2009 etc.

THE HON'BLE CHIEF JUSTICE
AND

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