IN THE HIGH COURT OF JUDICATURE AT MADRAS

Judgment Reserved on : 15.04.2026

Judgment Delivered on : 02.06.2026

Coram:

THE HONOURABLE Dr.JUSTICE G.JAYACHANDRAN

and

THE HONOURABLE MR.JUSTICE R.SAKTHIVEL

T.C.A.Nos.74 and 75 of 2009

M/s.Lucas TVS Limited,
No.6, Pattulos Road,
Chennai-600 002. .. Appellant in both the appeals

Vs.

The Assistant Commissioner of Income Tax,
Company Circle – III (4),
Chennai-600 034. .. Respondent in both the appeals

Tax Case Appeal No.74 of 2009 filed under Section 260-A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, "B" Bench, Chennai, dated 25.05.2007 in I.T.A.No.2531/Mds/2004.

Tax Case Appeal No.75 of 2009 filed under Section 260-A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, "B" Bench, Chennai, dated 25.05.2007 in I.T.A.No.2532/Mds/2004.

For appellant in both the appeals : Mr.R.Venkatanarayanan
and Mr.Subbaraya Aiyar

For respondent in both the appeals : M/s.V.Pushpa,
Senior Standing Counsel
and M/s.J.Harshini

COMMON JUDGMENT

Dr.G.Jayachandran, J

These appeals are filed by the assessee, challenging the order of the Income Tax Appellate Tribunal in their appeals against the assessment orders for the Assessment Year 1999-2000 and 2000 – 2001, respectively.

2. The common issue in both the appeals is with regard to the computation of relief under Section 80-HHC. The restriction of the deduction is under

Section 80-HHC from the gross total income, but only after the deduction under Section 80-IB by the assessing officer, on appeal, was confirmed by the appellate authority as well as the Tribunal. That apart, it was also contended by the assessee that reopening of assessment under Section 148 of the Income Tax Act, is not really in the interest of Revenue.

3. The learned counsel for the appellant as well as the learned Senior Standing Counsel for the Revenue fairly submitted that the impugned orders of the Tribunal, require re-visit, in view of the authoritative pronouncement of the Honourable Supreme Court in case of Shital Fibers Limited Vs. Commissioner of Income Tax (2025 (174) Taxmann.com 807 SC).

4. On considering the submissions made by both sides and on a perusal of the judgment of the Honourable Supreme Court in the said Shital Fibers case, we are of the view that it is appropriate to remand back the matter to the Assessing Officer to re-compute the tax by following the dictum laid

down by the Supreme Court in respect of simultaneous deduction under Section 80-IB and Section 80-HHC of the Income Tax Act and pass appropriate assessment order.

5. In the result, both these appeals are disposed of with the above direction. There shall be no order as to costs.

(G.J., J) (R.S.V., J)

02.06.2026

Index: Yes/no

Speaking Order: Yes/no

Neutral Case Citation: Yes/no

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To

The Assistant Commissioner of Income Tax,

Company Circle – III (4), Chennai-600 034.

Dr.G.Jayachandran, J

and

R.Sakthivel, J

cs

Pre-delivery Judgment

in T.C.Nos.74 and 75 of 2009

Judgment delivered

on 02.06.2026