Deputy Commissioner of Income Tax v. Sree Janardhana Mills

TC(A) No. 267 of 2004

TCA267/2004 (2007-08-09) | 2007-08-09

Withdrawal of beneficial sick-industry circular concessions held prospective in the pending assessment dispute.

119 | 41(1) | 79 | 115J | 260A

High Court of Judicature at Madras | Division Bench | Justice D. Murugesan | Justice P.P.S. Janarthana Raja

Assessment years: 1991-92

Scope of this order

The appellate benefit for the assessee remained undisturbed under the earlier circular regime.

01 FACTS OF THE CASE

The mill resumed operations in August 1990 after an AAIFR order. For AY 1991-92 it claimed earlier losses and depreciation. CIT(A) and the Tribunal allowed the relevant carry-forward benefit by relying on CBDT Circular 523 of 5 October 1988; Revenue challenged the effect of its later withdrawal.

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02 DISCUSSION BY THE HON'BLE COURT

The Court treated the circular concession under section 119 as binding on departmental authorities while operative. It held that the later consent procedure described in Circular 683 could operate prospectively and could not retrospectively take away the benefit in this case.

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03 JUDICIAL DECISION

The substantial question was answered against Revenue and its appeal was dismissed without costs.

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04 OUTCOME / IN WHOSE FAVOUR

The appellate benefit for the assessee remained undisturbed under the earlier circular regime.

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05 EXPERT COMMENTS

Identify the specific concession and time period — The decision concerns the historical sick-industry regime and Circulars 523, 576 and 683. It does not itself establish present-day entitlement to carry forward any company's losses.

Separate the quoted circular from the Court's interpretation — The source reproduces scheme-related language in the earlier circular, then reasons that the later consent procedure cannot retrospectively remove the concession. Preserve that reasoning rather than describing an unlimited exemption from the Act.

Do not silently regularize source inconsistencies — The opening question gives Circular 683 as 8 May 1994, while the body repeatedly uses 8 June 1994. Some precedent names are also printed imperfectly. The holding is reported from the operative paragraphs without treating these details as independently authenticated.

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SOURCE & VERIFICATION

Primary High Court order - verified local repository copy

Complete 8-page court PDF read for this correction.

Complete source text and every original page visually reviewed; identity and SHA-256 checked. AI-assisted source analysis.

Open cited source rendition

All 8 physical source pages read and visually inspected. SHA-256: b575243ca346c455b3808898fddc0ed1da79df04323c6aa0128d55956fccb157.

STATUTORY SCOPE

This note describes the historical provisions addressed by the supplied judgment. Subsequent statutory changes and judicial treatment have not been independently verified.

LATER TREATMENT

Source checked 2026-10-21. Subsequent judicial treatment has not been independently verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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