IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 2ND DAY OF SEPTEMBER, 2024

PRESENT

THE HON'BLE MR JUSTICE S.G.PANDIT

AND

THE HON'BLE MR JUSTICE C.M. POONACHA

INCOME TAX APPEAL NO.269 OF 2013

BETWEEN:

M/S. SASKEN COMMUNICATION
TECHNOLOGIES LTD.,
#139/25, DOMLUR RING ROAD
BENGALURU 560071

...APPELLANT

(BY SRI. S.SHARATH, ADVOCATE)

AND:

THE INCOME TAX OFFICER
(INTERNATIONAL TAXATION)
WARD 2(1), BENGALURU

...RESPONDENT

(BY SRI.RAVI RAJ Y.V., ADVOCATE)

Digitally signed by BHARATHI S
Location: HIGH COURT OF KARNATAKA

THE ITA IS FILED UNDER SEC.260-A OF I.T.ACT, 1961, ARISING OUT OF ORDER DATED 22/03/2013 PASSED IN ITA NO.900/BANG/2012, PRAYING TO FORMULATE THE SUBSTANTIAL QUESTIONS OF LAW STATED THEREIN AND ETC.

THIS APPEAL, COMING ON FOR ADMISSION, THIS DAY, JUDGMENT WAS DELIVERED THEREIN AS UNDER:

CORAM: HON'BLE MR JUSTICE S.G.PANDIT
and
HON'BLE MR JUSTICE C.M. POONACHA

ORAL JUDGMENT

(PER: HON'BLE MR JUSTICE S.G.PANDIT)

This appeal is by the Assessee challenging the order dated 22.3.2013 in ITA.No.900/B/2012.

2. The appeal is filed raising the question of law for consideration, which reads as follows:

> *"Whether on the facts and in the circumstances of the case, the Honourable ITAT was right in law in upholding the action of the Learned Respondent in levying interest under Section 201(1A)of the IT Act?"*

3. Sri. S.Sharath, learned counsel appearing for the appellant would submit that the above stated question of law is answered by the Hon'ble Apex Court in the case of ***ENGINEERING ANALYSIS CENTRE OF EXCELLENCE (P.) LTD.*** *v.* ***COMMISSIONER OF INCOME-TAX*** reported in **(2021) 432 ITR 471 (SC)** and the said question is answered in favour of the Assessee. In view of the same, learned counsel prays for allowing the appeal.

4. Learned counsel Sri. Ravi Raj.Y.V. for the respondent-Revenue is not in a position to dispute the contention of learned counsel for the appellant.

5. Taking note of the above, in terms of the order passed by the Hon'ble Apex Court in the case of ***ENGINEERING ANALYSIS CENTRE OF EXCELLENCE (P.) LTD.*** (supra), we answer the above question of law in favour of the Assessee and against the Revenue.

6. Learned counsel for the Revenue would submit that the Revenue has preferred Review Petition before the Hon'ble Apex Court in R.P.Nos.1422-1497/2021 praying to review the order passed in the case of ***ENGINEERING ANALYSIS CENTRE OF EXCELLENCE (P.) LTD.*** (supra) and prays for liberty to file review in case the Revenue succeeds before the Hon'ble Apex Court. On the other hand, learned counsel appearing for the appellant would place reliance on the decision in the case of ***COMMISSIONER OF INCOME-TAX v. GRACEMAC CORPORATION*** reported in **(2023) 456 ITR 135 (SC)**

to contend that the Hon'ble Apex Court has observed that there must be an end to litigation otherwise, the rights of persons would be in an endless confusion and fluidity and justice would suffer.

7. Learned counsel for the Revenue is seeking liberty to file review petition depending upon the outcome of the review pending before the Hon'ble Apex Court, apparently because of the observation made by the Hon'ble Apex Court at Paragraph Nos.6 and 7 in ***GRACEMAC CORPORATION case*** (supra).

8. We have gone through the above decision and deem it appropriate to grant liberty to the respondent-Revenue to file review petition based on the outcome of the review pending before the Hon'ble Apex Court and it is for the respondent-Revenue to make out a case for review.

Accordingly, appeal is allowed; question of law is answered in favour of the Assessee and against the

Revenue and the order dated 22.3.2013 in ITA.No.900/B/2012 is quashed to the above extent.

Sd/-
(S.G.PANDIT)
JUDGE

Sd/-
(C.M. POONACHA)
JUDGE

SMJ