IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 10.12.2018

CORAM

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM
and
THE HONOURABLE MR.JUSTICE N.SATHISH KUMAR

Tax Case (Appeal) No.150 of 2011

M/s.V.M.B. Leathers,
No.40/2,Wuthuthoattan Street,
Periamet, Chennai - 600 003.
PAN: AAFFV2453H ... Appellant/Appellant

-vs-

The Income Tax Officer,
Business Ward XII(4),
Chennai. ... Respondent/Respondent

Tax Case (Appeal) filed under Section 260-A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal Bench 'C', Chennai, dated 22.10.2010 in ITA.No.918/MDS/2010 for the assessment year 2007-08. Against order of the Commissioner of Incoem Tax (Appeals) IV, Chennai, dated 16.04.2010 made in Appeal No.CIT (A)-IV/CHE/296/09-10 against order of the Incoem Tax Officer, Business Ward -XII(4) Chennai dated 18/12/2009 made in PAN/GIR No.AAFFV2453H for the Assessment year of 2007-08.

For Appellant : Mr.A.S.Sriraman

For Respondent : Mrs.R.Hemalatha
Standing Counsel

JUDGMENT
(Judgment was delivered by T.S.Sivagnanam, J.)

This appeal filed by the appellant under Section 260A of the Income-tax Act, 1961 (hereinafter referred to as "the Act"), is directed against the order passed by the Income Tax Appellate Tribunal Bench 'C', Chennai (hereinafter referred to as "the Tribunal") dated 22.10.2010 in ITA.No.918/MDS/2010 for the assessment year 2007-08..

2.The above appeal was admitted on 10.10.2011 on the following substantial question of law:-

> "Whether the Tribunal is correct in law in sustaining the disallowance of the tanning charges on the application of Section 194C r/w. Section 40 (a)(ia) of the Act in computation of taxable total income?"

3.Heard Mr.A.S.Sriraman, learned counsel appearing for the appellant and M/s.R.Hemalatha, learned Standing Counsel appearing for the respondent/revenue.

4.The short issue is whether the Assessing Officer was right in disallowing the tanning charges by applying Section 194C r/w. Section 40(a)(ia) of the Act while computing the total taxable turnover. Admittedly, the assessee showed the headed figure of Rs.40,40,679/- as tanning charges. The Assessing Officer held that the nature of job entrusted to the contractor necessarily requires the use of material and labour, for which, payment has been made and it is the duty of the assessee to deduct TDS on any payment made to the contractor for carrying out any work including supply of labour. Further, the Assessing Officer held that in support of his claims there was no written agreement with the contractor for the work entrusted. Further, it was held that that nature of work done by the assessee is tanning work and the payment has been made for the same and therefore, the question of contract of sale does not arise. The assessee filed an appeal before the Appellate Tribunal, before which, it produced certain breakup details which was rightly disbelieved as an after thought and the appeal was dismissed. Aggrieved by the same, the assessee filed an appeal before the Tribunal. The Tribunal once again considered the factual matrix and held that the assessee having produced consolidated bills before the Assessing Officer rightly disbelieved the separate bills by the assessee before the CITA.

5.In the light of the above, we find that there is no specific question of law arising for consideration in this appeal. Accordingly, the appeal fails and dismissed. No costs.

Sd/-
Assistant Registrar(CCC)

//True copy//

Sub Assistant Registrar

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To

1. The Income Tax Appellate Tribunal Bench 'C', Chennai.

2. The Commissioner of Incoem Tax (Appeals) IV, Chennai.

3. The Income Tax Officer, Business Ward XII (4), Chennai.

+1cc to Mr.T.RaviKumar, Advocate SR.No.85202

T.C.(A) No.150 of 2011

AK(CO)
GMY(07/01/2019)