IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED :: 29-01-2019

CORAM

THE HON'BLE DR.JUSTICE VINEET KOTHARI

AND

THE HON'BLE DR.JUSTICE ANITA SUMANTH

T.C.A.No.947 of 2009

M/s.Dewa Properties Ltd. ...Appellant

-Vs-

The Deputy Commissioner of Income Tax,
Company Circle-IV (3),
Chennai-600 034. ...Respondent

Appeal filed under Section 260A of the Income Tax Act,1961, against the order of the Income Tax Appellate Tribunal, Madras 'A' Bench, dated 22.01.2009, passed in ITA No.2326/Mds/2007 and appeal against the Circle of the order of the Commissioner of Income Tax (Appeals)V dated 15.06.2007 in ITA.202/2005-06 and appeal against the Circle of the Assistant Commissioner of Income Tax, Company Circle - IV(3), Chennai- 34 dated 30.03.2005 in PA No/GIR No.AAACS 5085Q/MU21.

For appellant : Mr.R.Vijayaraghavan
for M/s.Subbaraya Aiyar Padmanabhan.

For respondent : Mr.T.Ravi Kumar,
Senior Standing Counsel.

JUDGMENT

[Judgment of the Court was delivered by Dr.Vineet Kothari,J.]

Assessee has filed this appeal under Section 260A of the Income Tax Act, in short, 'the Act', aggrieved by the order, dated 22.01.2009, passed by the Income Tax Appellate Tribunal, in short, 'the Tribunal', Madras 'A' Bench, in ITA No.2326/Mds/2007, for the Assessment Year 2002-2003.

2. The questions of law, on which the appeal was admitted, are quoted below :

"1. Whether on the facts and in the circumstances of the case and having regard to the provisions of Section 24 (1) (vi) of the Income Tax Act,1961, the Tribunal was right in law in dismissing the claim of deduction of interest adjusted by the tenants against the rent due while computing the income from house property ?

2. Whether on the facts and in the circumstances of the case, the Tribunal was right in law in resting its decision on the applicability of the provisions of Section 24 (1) (x) read with Rule 4 of the Income Tax Rules when the entire dispute relates to the provision of Section 24 (1) (vi) relating to allowability of interest on deposits/borrowed funds received from tenants and utilised for construction of the house property ?

3. Whether on the facts and in the circumstances of the case the Tribunal was right in law in holding that the appellant is not entitled to deduction of interest on interest free advances to sister concern ? "

3. As regards Question of Law No1, it has already been covered by a Division Bench decision of this Court in the case of M/s.Music World Entertainment Ltd v. The Assistant Commissioner of Income Tax, in T.C.A.Nos.217 to 219 of 2008, decided on 02.12.2010, answering against the Assessee and in favour of the Revenue.

4. On Questions of Law No.2 and 3, learned counsel for the appellant-Assessee does not press the same, in view of the findings in the Assessment Order. Learned Standing Counsel for the Revenue has no objection for the same.

5. This Tax Case Appeal is, accordingly, dismissed. No costs.

dixit

Sd/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

To

1.The Appellate Authority,
Income Tax Appellate Tribunal,
Madras 'A' Bench, Chennai.

2. The Commissioner of Income Tax,
(Appeals)V,/21 M.C.Road,
Chennai - 34.

3. The Assistant Commissioner of
Income Tax, Company Circle-IV(3),
Chennai -34.

4. The Deputy Commissioner of
Income Tax, Company Circle-IV(3),
Chennai -34.

+1cc to Mr.T.Ravi Kumar, Advocate, S.R.No.7004

+1cc to M/s.Subbaraya Aiyar Padmanabhan,
Advocate, S.R.No.7445.

T.C.A.No.947 OF 2009

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