IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 21.10.2024

CORAM

THE HON'BLE MR.JUSTICE R.SURESH KUMAR
AND
THE HON'BLE MR.JUSTICE C.SARAVANAN

Tax Case Appeal No.228 of 2024

Commissioner of Income Tax
Central Circle-I, Coimbatore. .... Appellant

Vs.

T.R.Shanmugasundaram .... Respondent

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, 'A' Bench Chennai, dated 14.02.2022 made in I.T.A.No.650/Chny/2019.

For Appellant : Mr.Karthik Ranganathan
Senior Standing Counsel

J U D G M E N T
(Delivered by R.SURESH KUMAR, J.)

This Tax Case Appeal has been filed by the Revenue calling in question the correctness of the order passed by the Income Tax Appellate Tribunal, Chennai by raising the following substantial questions of law:

1. Whether on the facts and in the circumstances of the case the Tribunal was right in directing the Assessing Officer to estimate the Gross Profit fate of 8% on accounted sale when the assessing officer made the addition based on a few instance, based on the seized material in which the assessee has suppressed sale receipts to the extent of more than 2 to 5 times?

2. Whether on the facts and in the circumstances of the case, the tribunal was right in restricting the disallowance made by the assessing officer on account of sale commission and on account of development expenditure to 40% as against 70% made by the assessing officer without considering that the assessee has not produced any credible to proof to substantiate it except from self-made vouchers?

3. Whether on the facts and in the circumstances of the case, the Tribunal order was perverse when it over looked the judicial pronouncements in favour of revenue on the addition made on extrapolation of facts relating to the entries available in the seized / impounded materials?"

2. It is brought to our notice by the learned Standing Counsel for the appellant Revenue that in the instant case, as per the CBDT's Circular No.9 of 2024 dated 17.09.2024 the tax effect is said to be less than the monetary limit

imposed and therefore, the appeal can be disposed of, keeping the substantial questions of law raised in this appeal open for adjudication at a later point of time.

3. Recording the aforesaid submission made by the learned Standing Counsel for the appellant Revenue, this Tax Case Appeal is dismissed for low tax effect, keeping open the substantial questions of law for adjudication at appropriate stage. No costs.

(R.S.K.,J.) (C.S.N.,J.)
21.10.2024

NCS : Yes/No
KST

To

The Income Tax Appellate Tribunal
'A' Bench, Chennai.

R.SURESH KUMAR, J.

AND
C.SARAVANAN, J.

KST

T.C.A.No.228 of 2024

21.10.2024