IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 29.10.2024

CORAM

THE HONOURABLE MR.JUSTICE R.SURESH KUMAR
and
THE HONOURABLE MR.JUSTICE C.SARAVANAN

T.C.A.No.395 of 2015
and
M.P.No.1 of 2015

The Commissioner of Income Tax,
Central Circle-II,
Chennai - 600 034. ... Appellant

-Vs-

M/s.Handloom Heritage Limited,
No.37, Rajamannar Street,
T.Nagar,
Chennai - 600 017.
PAN:AAACH0890A ... Respondent

PRAYER : Tax Case Appeal filed under Section 260 A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal 'B' Bench, Chennai dated 18.05.2011 in I.T.A.No.1803/Mds/2010 for the assessment year 2005-06.

For Appellant : Mrs.R.Hemalatha
Senior Standing Counsel

For Respondent : Mr.K.Ravi

J U D G M E N T

(Judgment of the Court was 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 circumstance of the case the Income Tax Appellate Tribunal was right in deleting the addition on account of unaccounted FDR in the name of the assessee when the source for the same is not proved by the assessee?*
2. *Whether on the facts and in the circumstance of the case the Income Tax Appellate Tribunal was right in deleting the interest portion on the account of unaccounted FDR in the name of the assessee when the source of the same is not proved by the assessee?*
3. *Whether on the facts and in the circumstance of the case the Income Tax Appellate Tribunal was right in holding that there is a contract between the Fixed Deposit holder and the banker and unless this contract is proven to be a sham and that those monies came from the assessee, the addition on account of the alleged unaccounted fixed deposits is not sustainable?*
4. *Whether on the facts and in the circumstance of the case the Income Tax Appellate Tribunal was right in*

deleting the additions when the assessee has operated bank account in the name of weavers and found the same to be unaccounted income of the assessee?

5. *Whether on the facts and in the circumstance of the case the Income Tax Appellate Tribunal was right in quashing the proceedings u/s.263?*
6. *Whether on the facts and in the circumstance of the case the Income Tax Appellate Tribunal was right in deleting the addition made on account of un-accounted stock when the assessee itself has not maintained proper stock statement / book?*
7. *Whether on the facts and in the circumstance of the case the Income Tax Appellate Tribunal was right in deleting the addition made on account of unaccounted stock when the stock statement working as per the books shows deficit stock?*

2. It is brought to our notice by the learned Senior 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 Senior 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. However, there shall be no order as to costs. Consequently, connected miscellaneous petition is closed.

(R.S.K., J.) **(C.S.N., J.)**
29.10.2024
(2/2)

NCC : Yes / No
Index : Yes / No
Speaking Order : Yes / No

vji

To

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

R.SURESH KUMAR, J.
and
C.SARAVANAN, J.

vji

T.C.A.No.395 of 2015
and
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