



WEB COPY



T.C.A.No.350 of 2023

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 19.10.2024

CORAM

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

Tax Case Appeal No.350 of 2023

The Principal Commissioner of Income Tax-I
Chennai.

.... Appellant

Vs.

V.Sriram (HUF)

.... Respondent

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, 'B' Bench Chennai, dated 22.02.2023 made in I.T.A.No.863/Chny/2022.

For Appellant : Mr.T.Ravikumar
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:



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"(i) Whether on the facts and in the circumstances of the Company, Tribunal was justified in holding that provisions of Section 2(22)(e) of the Income Tax Act, 1961 are not applicable to the Assessee?"

"(ii) Is not the reasoning and finding of the Tribunal bad, by holding that the transaction between the Assessee and the IEIL could be treated as a running current account between the shareholder and the company and that it was not a loan or advance in order to apply Section 2(22)(e) of the Income Tax Act especially when the Assessee did not provide the documentary proof to substantiate the same?"

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. It is further submitted by the learned Standing Counsel that to an e-mail communication dated 04.10.2024 requesting instructions as to whether this case is covered under low tax effect, the reply given by the Revenue is in



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the affirmative. Therefore, based on such instructions from the Revenue, the learned Standing Counsel submits that this appeal can be disposed of.

4. 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.)
19.10.2024

NCS : Yes/No
Index : Yes/No
KST

To

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



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