IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 15.10.2024

CORAM :

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

T.C.A.No.138 of 2024

Principal Commissioner of Income Tax – 1
Chennai. .. Appellant

Vs.

M/s. Global Calcium Pvt. Ltd.
No.125 and 126, SIPCOT Industrial Complex
Hosur – 635 126
PAN: AAACG2998-N .. Respondent

Prayer: Appeal filed under Section 260-A of the Income Tax Act, 1961, against the order of Income Tax Appellate Tribunal, Madras "C" Bench, Chennai dated 29.12.2023 passed in I.T.A.No.2918/CHNY/2019.

For the Appellant : Mr.T.Ravikumar
Senior Standing Counsel

JUDGMENT

(Order of the Court was made by R.SURESH KUMAR, J.)

The present tax case appeal was admitted on 23.07.2024 by this Court on the following substantial questions of law:-

"1. Whether on the facts and circumstances of the case, the Tribunal was justified in upholding the decision of CIT (A) who had directed the

Assessing Officer to allow the Assessee claim to write off through NSEL by holding that the dues from NSEL were irrecoverable and that the same was bad debts in accordance with the provisions of Section 36(1)(vii) as well as Section 28 of the Income Tax Act, 1961?

2. Whether the reasoning and finding of the Tribunal is proper especially when the Assessing Officer had clearly established in the Assessment Order that the Assessee did not qualify for deduction as per Section 36(2)(i) and (ii) of the Act as no capital was invested by the Assessee on NSEL and never been offered for taxation in any of the earlier years and such activity cannot be classified as money lending activity?

3. Whether the Tribunal was justified in allowing the write off of advances of Rs.111,68,046/- by holding that the advancing loans/ICDS to its sister concern was a strategic business loans and that when written off in the books would be eligible for deduction not only under Section 36(1)(vii) but also under Section 28 of the Act especially when the Assessee was a manufacturer of minerals and vitamins component and was not in money lending activity?

4. Whether the claim of the Assessee in respect of bad debts amounting to Rs.320,86,950/- is to be allowed especially when the conditions stipulated under Section 36(2) were not satisfied and that the claim made was a premature claim since nearly Rs.5600 crores has been confiscated and were available for distribution and was monitored by the Mumbai High Court Committee and other Agencies?"

2. It is submitted by the learned Senior Standing Counsel appearing for the appellant Revenue that this matter is covered under the Low Tax Effect as per the recent Circular dated 17.09.2024, in Circular No.9/2024.

3. Hence, this appeal stands dismissed, as covered under the low tax effect and the substantial questions of law arising in this appeal are kept open to be decided at the later point of time. There shall be no order as to costs.

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

15.10.2024

Neutral Citation:Yes/No

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

(drm)

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