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.270 of 2022

The Commissioner of Income Tax
Corporate Circle 1, Coimbatore. .. Appellant

Vs.

M/s.CAI Industries Private Limited
1547-A, Avinashi Road, Peelamedu
Coimbatore – 641 004
PAN: AABCC 2146 F .. Respondent

Prayer: Appeal filed under Section 260-A of the Income Tax Act, 1961, against the order of Income Tax Appellate Tribunal, Madras "D" Bench, Chennai dated 25.05.2022 passed in I.T.A.No.2510/Chny/2019.

For the Appellant : Mr.Karthik Ranganathan
Senior Standing Counsel

For the Respondent : Mr.A.S.Sriraman

JUDGMENT

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

The present tax case appeal was admitted on 12.09.2022 by this Court on the following substantial questions of law:-

"1. Whether on the facts and circumstances of

the case and in law, the Tribunal was justified in holding that the money advanced by the sister concern of the assessee company, is not loans and advances for the purpose of invoking Section 2(22)(e) of the I.T. Act, 1961?

2. Whether on the facts and circumstances of the case and in law, the Tribunal was right in appreciating that the Board's Circular No.19/2017 which states some illustration/examples of trade advances/commercial transactions held to be not covered u/s2(22)(e) of the Act, the assessee's case does not fall under anyone of the situations cited in the said Circular?"

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)

T.C.A.No.270 of 2022

15.10.2024