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.91 of 2017

Principal Commissioner of Income Tax 3
No.63, Race Course Road
Coimbatore 641 018. .. Appellant

Vs.

M/s. C S Garments
42, Karumarampalayam
Mannarai, Tirupur – 641 607
PAN: AAC FC 0719 J .. Respondent

Prayer: Appeal filed under Section 260-A of the Income Tax Act, 1961, against the order of Income Tax Appellate Tribunal Madras "B" Bench dated 31.08.2016 passed in I.T.A.No.583/Mds/2016.

For the Appellant : Mr.Karthik Ranganathan
Senior Standing Counsel

For the Respondent : Ms.A.Sharren
for Mr.R.Sivaraman

JUDGMENT

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

The present tax case appeal was admitted on 20.02.2017 by this Court on the following substantial questions of law:-

"1. Whether on the facts and in the circumstances of the case, the Tribunal is right in deleting the disallowance made on account of bogus purchases without considering the fact that the sundry creditors claimed in the books of account is bogus as the Assessing Officer had recorded statements under Section 131 from the sundry creditors and it was proven that the sundry creditors were lso bogus?

2. Whether the Tribunal right in holding that the A.O. Made casual reference about Section 40A(3) of the Act regarding the use of cash for purchase of raw material in the grey market, whereas the purchases are admittedly by the assessee made in the grey market and preponderance of probability clearly indicates that the purchases are made in cash?"

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.91 of 2017

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