IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: **26-02-2025**

CORAM

THE HONOURABLE MR JUSTICE S. S. SUNDAR

AND

THE HONOURABLE MR JUSTICE C. SARAVANAN

TCA NO. 432 of 2021

The Commissioner Of Income Tax
Chennai .. Appellant

Vs

M/s Prajit Foundation Private Limited
No.33, Shafee Mohammed Road,

Rutland Towers, IV Floor,

Greams Road, Chennai 600 006 ..Respondent

Prayer : This Appeal is filed under Memorandum of Appeal under Section 260-A of the Income Tax Act 1961 against the order of the Income Tax Appellate Tribunal dated 25.04.2017 in ITA No. 1344/Mds/2016.

For Appellant: Mr. Karthick Ranganathan, Senior Standing Counsel
For Respondent Mr. M.Velmurugan

JUDGMENT

(Order of the Court was made by the Hon'ble S.S.Sundar J.)

This appeal is directed against the formal order of the Income Tax Appellate Tribunal dated 25.04.2017 in ITA No. 1344/Mds/2016. In this appeal the appellant has raised the following substantial question of law to be answered;

i. Will not Section 68 of the Act come into play in respect of donations receive [illegible] Assessee, since the source, means and genuineness of the amount received fron [illegible] Trust and Nachiappar Educational Trust for construction and Meditation Hall was not satisfactorily explained & proved?

ii. Whether the Tribunal was right in deleting the addition made u/s 68 on the ground that the land and Meditation Hall was owned by two trust and not by the Assessee company when the fact remains that during the survey conducted in the Assessee's Company premises it was proved beyond doubt that the property was owned by the Assessee Company?

iii. Whether the addition made u/s. 68 could not be disallowed even if the Assessee does not prove the credit worthiness, means to pay and the source for giving such donation to the Assessee Company?

iv. Whether the finding of the Tribunal is proper especially when a sum of Rs.16,52,82,392/- being donation received during the year which were not routed through profit and loss account but was directly taken to Reverse and Surplus in the balance sheet for the purpose of avoiding taxation is to be brought to tax?

v. Whether the addition made on account of remission of liability is taxable especially when the creditor had continued to be shown as assessee debtor in its books of accounts and the Assessee in order to avoid paying taxes had directly taken it to the balance sheet instead of routing it through the profit and loss account?

2. Learned senior standing counsel appearing for the appellant submitted that the amount involved in the present appeal is below the monetary limit as per the circulars issued by the Government of India, Ministry of Finance, Department of Revenue, Central Board of Direct Taxes in Circular No. 5/2024 and 09/2024 dated 15.03.2024 and 17.09.2024 respectively.

3. In view of the aforesaid submissions made by the learned senior standing counsel for the appellant, the appeal is dismissed as withdrawn. However, the substantial questions of law are left open. No costs.

(S.S.SUNDAR J.) (C.SARAVANAN J.)
26-02-2025

Index : Yes/No
Internet : Yes
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S.S.SUNDAR,

C.SARAVANAN, J.

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