IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 02-03-2026

CORAM

THE HONOURABLE DR. JUSTICE G. JAYACHANDRAN
AND
THE HONOURABLE MR.JUSTICE SHAMIM AHMED

T.C.A.No.131 of 2015

The Commissioner of Income Tax,
Chennai. … Appellant/Respondent

Vs.

M/s.CS Holdings Private Ltd.,
Sai Suraksha Second Floor,
Old No.14, New No.7,
Nandanam Extension,
11th Street, Nandanam,
Chennai - 600 035. … Respondent/Appellant

Prayer:

Tax Case Appeal is filed under Section 260-A of the Income Tax Act, 1961, against the order of Income Tax Appellate Tribunal, Madras "A" Bench, Chennai, dated 20.11.2013 passed in I.T.A.No.1699/Mds/2013.

For Appellant: Mr.T.Ravi Kumar
Standing Counsel

For Respondent: Mr.G.Logesh

JUDGMENT

Aggrieved by the order passed by the Income Tax Appellate Tribunal, Chennai, the Department has preferred this appeal.

2. This Court on considering the issue involved has framed the following Substantial Questions of Law:-

> “1.Whether on the facts and in the circumstances of the case, the Appellate Tribunal was right in holding that the sale of shares is to be treated as short term capital gains and not business income especially when the assessee had held the shares as trading assets and making profit from the initial date of acquisition?
>
> 2.Whether the finding of the Tribunal is proper especially when the assessee has purchased shares out of borrowed capital only for the purpose of trading in shares in order to make profit out of it over and above the cost incurred on account of interest expenditure?
>
> 3.Whether on the facts and circumstances of the case, the Tribunal was right in holding that the sale of shares is to be treated as short term capital gains only?”

3. When the matter is taken up for final disposal, it is submitted that the assessee has availed tax income under the Direct Tax VIVAD SE VISHWAS Scheme 2024, and submitted Form-4 for settlement of the dispute and the

Department has entertained the application and the application given for full and final settlement of tax arrears under the above said scheme is under process.

4. Recording the same, without adverting to the merits of the Substantial Questions of Law raised, the Tax Case Appeal is disposed of**.** No costs.

(G.JAYACHANDRAN, J.)   **(SHAMIM AHMED, J.)**

02.03.2026

Internet:Yes/no
Neutral Citation:Yes/No
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Dr.G.JAYACHANDRAN, J.
AND
SHAMIM AHMED, J.
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