

**Cit Vs. S. Ramanathan**

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**SooperKanoon Citation :** [sooperkanoon.com/835263](http://sooperkanoon.com/835263)

**Court :** Chennai

**Decided On :** Aug-07-2002

**Reported in :** [2002]125TAXMAN56(Mad)

**Appeal No. :** Tax Case No. 751 of 1991 7 August 2002

**Appellant :** Cit

**Respondent :** S. Ramanathan

**Advocate for Pet/Ap. :** T.C.A. Ramanujam, *for the Revenue*

**Judgement :**

ORDER

**V.S. Sirpurkar, J.**

The questions referred to us at the instance of the revenue are as follows :

'1. Whether the Tribunal was right in law in holding that the interest of Rs. 79,739 due to Mercantile Credit Corpn. is allowable as an expenditure under section 57(iii) of the Income Tax Act, 1961 ?

2. Whether the Tribunal was right in law in holding that the interest would constitute an expenditure, even though the shares were not allotted to the assessee and there was no income available for consideration ?'

2. At the outset, the learned senior standing counsel for the department makes a statement that these questions are covered against the revenue by a decision of this court in the case of CIT v. P.L. Ramiah : [2002]254ITR238(Mad) . Since a fair statement comes from the revenue against its own interest, there will be no necessity to hear the assessee in whose favour the order would naturally go. The questions are, therefore, answered in favour of the assessee and against the revenue. No costs.

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