IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated: 24.08.2016

CORAM

THE HONOURABLE MR. JUSTICE S.MANIKUMAR
and
THE HONOURABLE MR. JUSTICE D.KRISHNAKUMAR

Tax Case AppealNos.864 and 865 of 2007

The Commissioner of Income Tax,
Coimbatore. .. Appellant in both the above appeals.

Vs.

M/s.Sunrise Knitting Mills,
Kulivayal Thottam,
Kullegoundanpudur
Tirupur 641 687 .. Respondent in both the above appeals.

PRAYER: Tax Case Appeal No.864 of 2007 filed under Section 260-A of the Income Tax Act, 1961 against the common order of the Income Tax Appellate Tribunal, Madras "D" Bench, Chennai, dated 13.10.2006 passed in I.T.A.No.655/Mds/2005.

Tax Case Appeal No.865 of 2007 filed under Section 260-A of the Income Tax Act, 1961 against the common order of the Income Tax Appellate Tribunal, Madras "D" Bench, Chennai, dated 13.10.2006 passed in I.T.A.No.656/Mds/2005.

For Appellant : Mr.T.R.Senthil Kumar
Senior Standing Counsel for I.T.

For respondent : Mr.R.Kumar

JUDGMENT

(Judgment of the Court was delivered by ***S.MANIKUMAR, J.***)

These Appeals have been filed under Section 260-A of the Income Tax Act, 1961 against the common order of the Income Tax Appellate Tribunal, Madras "D" Bench, Chennai, dated 13.10.2006, passed in I.T.A.Nos.655 and 656/Mds/2005.

2. The common substantial questions of law raised in both the Appeals are:-

> "1. Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in holding that the interest income earned from fixed deposits should be treated as income business only and not income from other sources?
>
> 2. Whether on the facts and in the circumstances of the case, the Income Tax Tribunal was right in not following the judgment of the Supreme Court in the case of Tuticorin Alkaline Chemicals and Fertilizers Ltd., vs. CIT reported in 227 ITR 172 wherein it has been held that the interest received by the

company from bank deposits and loans would be taxable as income from other sources only under Sec.56 of the Income Tax Act?

3. On this day, when the matter came up for hearing, Mr.T.R.Senthil Kumar, learned Senior Standing Counsel appearing for the revenue submitted that the monetary effect in both the Appeals squarely falls within the Circular No.21 of 2015, issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India, dated 10.12.2015 and as per the instructions of the Department, he seeks permission to withdraw the Appeals.

4. Recording the aforesaid submissions of the learned Senior Standing Counsel for the appellant/revenue, the present Tax Case Appeals are dismissed as withdrawn leaving the substantial questions of law open. No costs.

(S.M.K., J.) (D.K.K., J.)

24.08.2016

Index : Yes / No

Internet : Yes / No.

asvm

S.MANIKUMAR, J
AND
D.KRISHNAKUMAR, J

(asvm)

To
The Commissioner of Income Tax,
Coimbatore.

T.C.A.Nos.864 and 865 of 2007

24.08.2016