IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 25.1.2017

CORAM

THE HON'BLE MR.JUSTICE **HULUVADI G. RAMESH**
AND
THE HON'BLE DR.JUSTICE **ANITA SUMANTH**

Tax Case (Appeal) No.968 of 2008

Commissioner of Income Tax-III,
Chennai. ... Appellant

Vs.

Southern Polymers (P) Ltd.
No.12, III Main Road,
Kasturba Nagar, Adyar,
Chennai 600 020. ... Respondent

Tax Case Appeal filed under Sec. 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, Madras 'C' Bench, Chennai, dated 5.10.2007 in ITA No.799/Mds/2003.

For Appellant : Mr.J.Narayanasamy
Standing Counsel

For Respondent : Mr.R.Sivaraman

JUDGMENT

(Judgment of the Court was delivered by Dr.Anita Sumanth, J.,)

The Tax Case Appeal filed by the Revenue calling in question the correctness of the order passed by the Income Tax Appellate Tribunal, Madras 'C' Bench, Chennai, dated 5.10.2007 in

ITA No.799/Mds/2003, has been admitted on 17.7.2008 for consideration of the following substantial questions of law:

> "(i) Whether in the facts and in the circumstances of the case, the Tribunal was right in holding that the assessee is in the business of money lending when it is a manufacturing company and the only amounts lent were to sister concerns?
>
> (ii) Whether in the facts and in the circumstances of the case, the Tribunal was right in holding that the amounts given to the parties were in the course of money lending business, and as such the administrative expenditure could be deducted as business expenditure?"

2. Circular instruction issued by the Central Board of Direct Taxes No.21/2015, dated 10.12.2015 stipulates that appeals shall not be filed/pursued by the Department before the High Court in cases where the tax effect does not exceed Rs.20 lakhs. In the instant case, the tax effect is less than the monetary limit imposed and the appeal is, hence, dismissed as not pressed, preserving the

substantial questions of law for determination in an appropriate case. No cost.

(H.G.R.,J.) (A.S.M.,J.)
25.1.2017.

ssk.

Index: Yes/No.
Internet: Yes/No.

HULUVADI G. RAMESH, J.
and
Dr.ANITA SUMANTH,J.

ssk.

T.C.A.No.968 of 2008

25.1.2017.