IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 25.10.2018

CORAM :

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM
and
THE HONOURABLE MRS.JUSTICE V.BHAVANI SUBBAROYAN

Tax Case Appeal No.1581 to 1583 of 2008
&
M.P.Nos.1, 1, 1 of 2012

Everwin Export Corporation,
Rayapuram Main Road,
Tirupur – 641 601.

... Appellant in all TCAs

-vs-

The Income Tax Officer,
Ward 1(2), Tirupur.

... Respondent in all TCAs

These Tax Case Appeals are filed under Section 260A of the Income Tax Act, 1961 against the common order of the Income Tax Appellate Tribunal Chennai 'D' Bench, dated 15.02.2008 in ITA Nos.1913/Mds/2007, 1914/Mds/2007 and 1915/Mds/2007 for the Assessment years 1996-97, 1997-98, 1998-99, respectively.

For Appellant : Mr.S.K.Ravi (in all cases)

For respondent : Mr.T.R.Senthil Kumar and
Mrs.K.G.Usha Rani (in all cases)

COMMON JUDGMENT

(Judgement of the Court was delivered by T.S.Sivagnanam, J.)

These appeals filed by the assessee are directed against the common order passed by the Income Tax Appellate Tribunal, Chennai 'D' Bench, Chennai in ITA Nos. 1913 to 1915/Mds/2007 for the assessment years 1996-97 to 1998-99, respectively.

2.These appeals have been admitted on the following Substantial Questions of Law:

"1. Whether in the facts and circumstances of the case, the Income Tax Appellate Tribunal was right in holding that the interest paid cannot be netted off against the interest income earned so far as the income arises from the business of the assessee?

2. Whether the facts and circumstances of the case, *the Income Tax Appellate Tribunal was right in holding that the interest income be assessed under the head 'income from other sources' when in fact per se, it has a direct nexus to the business of the assessee?"*

3.The learned Counsel appearing for the assessee submitted that so far as the Substantial Question of Law No. 1 is concerned, it is squarely covered in favour of the assesse, in the light of the decision of this Court in the case of **Arul Mariammal Textiles Ltd., Vs. Assistant Commissioner of Income Tax, Coimbatore in [(2018) 97 taxmann.com 298(Madras)].** It is also submitted that, insofar as the Substantial Question of Law No. 2 is concerned, the same is covered by the decision of the Hon'ble Supreme Court in **ACG Associated Capsules (P.) Ltd Vs. The Commissioner of Income Tax, Central-IV, Mumbai in [(2012) 18 taxmann.com 137 (SC)].**

4.Mr. T.R.Senthil Kumar, the learned Senior Standing Counsel appearing for the respondents does not dispute that the Substantial Questions of Law, which have been raised in these appeals, are covered by the aforementioned decisions.

5.In the light of the same, both the Substantial Questions of Law are answered in favour of the assessee and accordingly, the appeals are allowed. Consequently, the connected miscellaneous petitions are closed.

[T.S.S., J.] & [V.B.S., J.]
25.10.2018

msk/mrm

To

1. The Income Tax Officer,
Ward 1(2), Tirupur.

2. The Income Tax Appellate Tribunal Madras 'D' Bench.

T.S.Sivagnanam, J.
and
V.Bhavani Subbaroyan, J.

msk/mrm

T.C.A.Nos.1581 to 1583 of 2008
&
M.P.Nos.1,1, 1 of 2012

25.10.2018