IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 19.11.2018

CORAM

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM
and
THE HONOURABLE MR.JUSTICE N.SATHISH KUMAR

Tax Case (Appeal) Nos.92 and 93 of 2009

Commissioner of Income Tax,
Chennai III. ... Appellant in both the Appeals

-vs-

M/s.Sundaram Home Finance Ltd.,
46, Whites Road,
Royapettah, Chennai-600 014. ... Respondent in both the Appeals

Tax Case (Appeals) filed under Section 260-A of the Income Tax Act, 1961 against the common order of the Income-tax Appellate Tribunal Bench 'C' Chennai, dated 14.08.2008 in I.T.A.Nos.27 and 28/Mds/2008 for the assessment years 2003-04 and 2004-05 respectively. Preferred against the Order dated 25/09/2007 by the Commissioner of Income Tax Appeals V, in ITA.no. 121 of 122/2006-07 against the Assessment order dated 30/09/2005 for the Assessment Year 2003-04 and 2004-05 by the Assestant commissioner of Income Tax, Company circle VI (4), Chennai.

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

For Respondent : Mr.R.Venkata Narayanan,
For M/s.Subbaraya Aiyar,
Padmanabhan, Ramamani

COMMON JUDGMENT
(Delivered by T.S.Sivagnanam, J.)

These appeals, filed by the Revenue under Section 260A of the Income-tax Act, 1961, are directed against the common order of the Income-tax Appellate Tribunal Bench 'C' Chennai, (for brevity “the Tribunal”) dated 14.08.2008, in I.T.A.Nos.27 and 28/Mds/2008 for the assessment years 2003-04 and 2004-05 respectively.

2. The appeals have been admitted, on 19.03.2009, on the following substantial question of law:-

> "Whether on the facts and in the circumstances of the case, the Appellate Tribunal was right in holding that the interest earned by the assessee company from the Statutory Liquidity Reserve Investments is eligible for deduction u/s 36 (1)(viii) of the Income Tax Act."

3. Heard Mr.T.R.Senthil Kumar, learned Senior Standing Counsel for the appellant; and Mr.R.Venkata Narayana, learned counsel for the respondent.

4. We have perused the order passed by the Tribunal and from paragraph 2 of the order, we find that the tax effect in the case is well below the threshold limit prescribed under the Circular No.3/2018 dated 11.07.2018. Hence, the appeals are dismissed on the ground of low tax effect and the substantial question of law, framed for consideration, is left open. No costs. The Revenue is at liberty to seek for restoration of appeal if at a later point of time, it is found that the tax effect is above the threshold limit or to fall under the exceptional clauses mentioned in the Circular.

Sd/-
Assistant Registrar(CS-VI)

//True Copy//

Sub Assistant Registrar

abr

To

1.The Income-tax Appellate Tribunal Bench 'C' Chennai.

2.The Commissioner of Income Tax,
Appeals (V), 121, Mahatma Gandhi Road,
Chennai 34.

3. The Assistant commissioner of Income Tax,
Company circle VI (4), Chennai.

+1cc to Mr.T.R.Senthil Kumar, Advocate, S.R.No. 78975
+1cc to Mr.Subbaraya Aiyar, Advocate, S.R.No. 78978

T.C. (A) Nos.92 and 93 of 2009

SS(CO)
GN(21/12/2018)