

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 28.11.2018

CORAM

THE HON'BLE DR.JUSTICE VINEET KOTHARI
AND
THE HON'BLE DR.JUSTICE ANITA SUMANTH

Tax Case Appeal No.952 of 2009

Commissioner of Income Tax
Chennai - III.

.... Appellant

Vs.

M/s.Shriram Chits & Inv. Pvt. Ltd.,
(Now known as Shriram Financial
Services Holdings P. Ltd.,)
149, Greams Road,
Chennai - 600 006.

..... Respondent

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, Madras 'D' Bench, Chennai, dated 18.02.2009 made in ITA No.809/Mds/2008 for the assessment year 2003-04, against the order of the Commissioner of Income Tax (Appeals)V, dated 20.12.2002 made in ITA No.58/2006-2007 arising out of the Assessment order dated 12/04/2006 of the Income Tax Officer (OSD), Company Circle VI(2), Chennai.

For Appellant : Mr.T.R.Senthil Kumar
Sr.Standing Counsel
assisted by Ms.K.G.Usha Rani

For Respondent : Mr.R.Sivaraman

J U D G M E N T

(Delivered by DR.VINEET KOTHARI,J)

This Tax Case Appeal has been filed by the Revenue calling in question the correctness of the order passed by the Income Tax Appellate Tribunal, Madras 'D' Bench, Chennai, dated 18.02.2009 made in ITA No.809/Mds/2008 for the assessment year 2003-04 by raising the following substantial question of law:

"Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in holding that the Assessing Officer was not justified in making the disallowance of interest of Rs.1,18,23,563/- relying on the decision of the Supreme Court in 288 ITR 1, even though there was no finding regarding the nature of commercial expediency in the assessee's case, in the matter of advancing interest-free loans to sister concerns and when the assessee had not been able to show that the advances were made out of own funds?"

2. When the matter is taken up for admission, the learned Senior Standing Counsel brought to our notice the Circular instruction issued by the Central Board of Direct Taxes vide Circular No.3/2018 dated 11.7.2018 wherein it is stipulated that appeals shall not be filed/pursued by the Department before the High Court in cases where the tax effect does not exceed Rs.50 lakhs.

3. In the instant case, the tax effect is less than the monetary limit imposed and therefore, the appeal is dismissed as not pressed, preserving the substantial question of law for determination in an appropriate case. No costs.

Sd/-
Assistant Registrar(CS II)

//True Copy//

Sub Assistant Registrar

To

1.The Income Tax Appellate Tribunal, Madras 'D' Bench, Chennai.

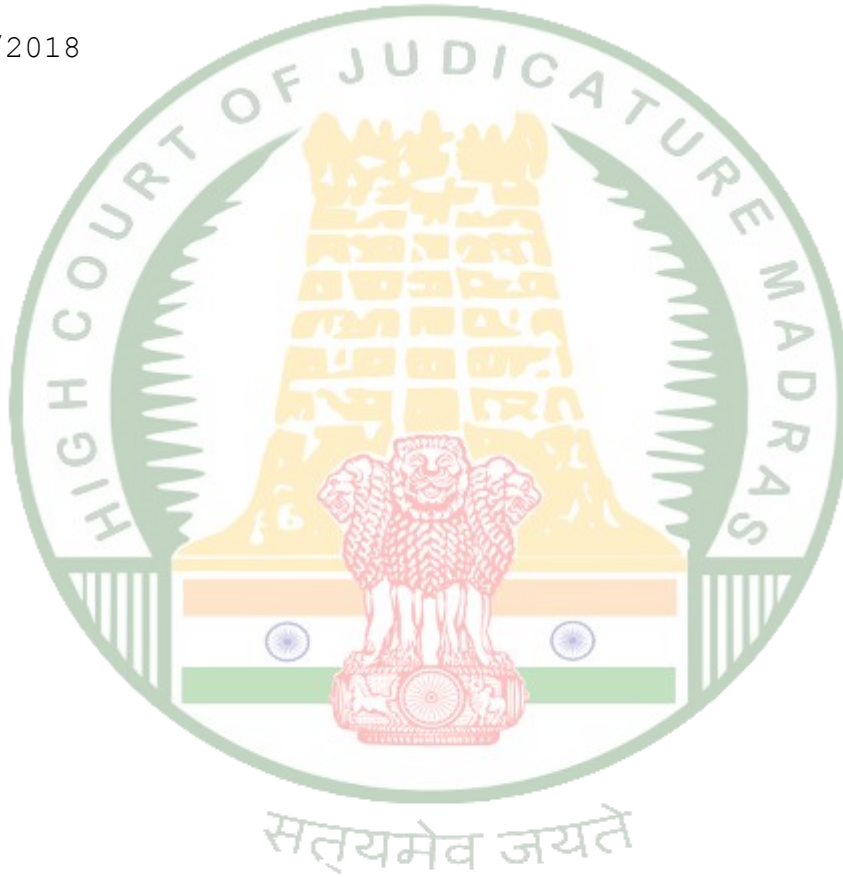
2.The Commissioner of Income Tax,
Chennai-111.

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

4.The Income Tax Officer (OSD),
Company Circle VI(2),
Chennai.

TCA No.952 of 2009

srg 24/12/2018



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