IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 2.11.2018

CORAM

THE HON'BLE MR.JUSTICE HULUVADI G. RAMESH
AND
THE HON'BLE MR.JUSTICE K.KALYANASUNDARAM

Tax Case Appeal No.337 of 2018

The Commissioner of Income Tax
Chennai. ..Appellant/Respondent

Vs.

M/s. Bharath Coal Chemicals Ltd.,
1st Floor, Sigappi Aachi Building,
No.18/3, Rukmani Lakshmipathi Salai,
Egmore, Chennai 600 008.
PAN: AAC CH 2455 F ..Respondent/Appellant

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, Madras 'B' Bench, Chennai, dated 3.2.2017 made in ITA No.1518/Mds/2016 against the order passed by the Commissioner of Income Tax, Chenni 600 034 dated 29.4.2016 made in ITA.NO.262/CIT(A)-1/14-15 for the Assessment year 2012-13 and against the order passed by the Income Tax Officer, Corporation ward 1(2) Chennai 600 034 order dated 27.1.2015 made in AACCH2455F for the Assessment year 2012-2013.

For Appellant : Mr.T.Ravikumar
Standing Counsel

J U D G M E N T
(Delivered by Huluvadi G.Ramesh,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 Madras 'B' Bench, Chennai, dated dated 3.2.2017 made in ITA No.1518/Mds/2016, was admitted on the following substantial questions of law:

"(i) Whether the Tribunal ought to have applied the law laid by the Supreme Court in the case of Tuticorin Alkalis Chemicals and Fertilizers Limited reported in 227 ITR 172 and that of Auto Cast reported in 248 ITR 110 wherein it was held that the interest income earned from the fixed deposit as assessable as income from other sources under section 56?

(2) Whether the pre-operative income in the form of interest from Fixed Deposit is taxable under the head income from other sources under Section 56 of the I.T. Act?

(3) Whether the interest income received before the commencement of business could be set off against capital expenditure?"

2. When the matter is taken up for admission, the learned 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 questions of law for determination in an appropriate case.

Sd/-
Assistant Registrar(CS)

//True Copy//

Sub Assistant Registrar

ssk.
To
1. The Commissioner of Income Tax, Chennai.

2. The Income Tax Officer, Income Tax Department,
Corporation War 1(2) 1 Wanarpathy Block,
Nungambakkm, Chennai-34.

3. The Presiding Officer,
Income Tax Appellate Tribunal,
Madras B Bench, Chennai.

1 cc to Mr. T.Ravi Kumar, Advocate Sr.75611

TCA No.337 of 2018

SR(CO)
EU(07/12/2018)