IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 26.09.2019

CORAM :

THE HON'BLE DR.VINEET KOTHARI, ACTING CHIEF JUSTICE
AND
THE HON'BLE MR.JUSTICE C.SARAVANAN

Tax Case (Appeal) No.250 of 2009

Commissioner of Income Tax I,
Chennai. .. Appellant

-vs-

KLK Electricals Ltd.,
New No.64, GF 8th Cross Street,
Chennai-30
PAN AAACK2418F .. Respondent

Tax Case Appeals filed under Section 260A of the Income Tax Act, 1961, against the order of the Income tax Appellate Tribunal, 'B' Bench, Chennai, dated 26.09.2008 made in ITA.No.2227/Mds/06 against the Order of the Commissioner of Income Tax (Appeals)-III, Chennai -34, dated 08.08.06, made in ITA No.314/2005-06 against the assessment order of the Asst. Commissioner of Income Tax Company Circle-11 (3), Chennai for GI No./PA.No.5010-K/AAACK 2418F for the Assessment Year 2003-04.

For Appellant : Mr.S.Rajesh
Jr. Standing Counsel

For Respondent : Mr.G.Surya Narayanan

JUDGMENT
(Delivered by The Hon'ble Acting Chief Justice)

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, 'B' Bench, Chennai, dated 26.09.2008, for the Assessment Year 2003-04, by raising the following substantial question of law:

> "Whether on the facts and circumstances of the case, the Tribunal was right in holding that the principal amount of loans waived by banks and other creditors cannot be treated as income of the assessee?"

2. When the matter is taken up for hearing, the learned Junior Standing Counsel brought to our notice the Circular instruction issued by the Central Board of Direct Taxes vide Circular No.17/2019 dated 8th August 2019, 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.1,00,00,000/- (Rupees One Crore).

3. In the instant case, the tax effect is said to be less than the monetary limit imposed and therefore, the Appeal filed by the Revenue is dismissed, as withdrawn, keeping open the substantial question of law for determination in appropriate cases. No costs.

bbr

Sd/-
Assistant Registrar(CS III)

//True Copy//

Sub Assistant Registrar

To

1. The Registrar,
Income Tax Appellate Tribunal,
Madras "B" Bench,
Chennai.

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

3. The Assistant Commissioner of Income Tax,
Company Circle II(3), Chennai-34.

4. The Commissioner of Income Tax,I,
Chennai.

+1cc to M/s.Surya Narayanan, Advocate, SR.No.82728

T.C.(A) No.250 of 2009

Kak(08/11/2019)