IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 22.08.2019

CORAM

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

Tax Case Appeal No.592 of 2013

The Commissioner of Income tax,
Chennai. .. Appellant/Appellant

-vs-

M/s.United India Insurance Co. Ltd.,
No.24, Whites Road,
Chennai-600 014. .. Respondent/Respondent

Appeal under Section 260A of the Income-tax Act, 1961, against the order dated 04.11.2011, on the file of the Income-tax Appellate Tribunal 'C' Bench, Chennai, in Int.T.A.No.22/Mds/2005 for the assessment year 1996-97. against the Order dated 20.12.2004 made in Income Tax TR.No.19/ITA 196/2004 on the file of the Commissioner of Income Tax(Appeals)-XI, Chennai-34 for the Assessment Year 1996-97.

Against the Order dated 25.03.2003 made in GIR.No./PAN 33001-U on the file of Assistant Commissioner of Income Tax Company Circle 111(3) Chennai, for the Assessment Year 1996-97.

For Appellant : Mr.T.Ravi Kumar,
Senior Standing Counsel

For Respondent : Mr.M.Swaroop

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

This appeal filed by the appellant/Revenue under Section 260A of the Income-tax Act, 1961, is directed against the order dated 04.11.2011, passed by the Income-tax Appellate Tribunal 'C' Bench, Chennai, in Int.T.A.No.22/Mds/2005 for the assessment year 1996-97.

2.The above appeal was admitted, on 10.04.2014, on the following substantial questions of law:-

> "(i) Whether on the facts and circumstances of the case the Income Tax Appellate Tribunal was right in holding that the additions made towards bridge loan amounting to Rs.1.43 crores and interest on term loan of Rs.6.06 crores given to ICICI and IFCI are not chargeable to interest under Interest Tax Act?
>
> (ii) Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in holding that the additions made towards share application money amounting to Rs.40.78 lakhs is not liable to Interest Tax Act?"

3.Heard Mr.T.Ravi Kumar, learned Senior Standing Counsel for the appellant and Mr.M.Swaroop, learned counsel for the respondent.

4. The learned Senior Standing Counsel for the appellant submits that the above appeal is not pursued by the Revenue on account of the low tax effect in terms of Circular No.17/2019, dated 08.08.2019 issued by the Central Board of Direct Taxes. By the said Circular, the monetary limit for filing or pursuing an appeal before the High Court has been increased to Rs.1 Crore. It is further submitted that the tax effect in this case is less than the threshold limit.

5. In the light of the said submissions, the above tax case appeal is dismissed on account of the low tax effect. The substantial questions of law framed are left open. In the event the tax effect is above the threshold limit fixed in the said circular, liberty is granted to the Revenue to make a mention to this Court to restore the appeal to be heard and decided on merits. No costs.

Sd/-
Assistant Registrar(CO)

//True Copy//

Sub Assistant Registrar

abr

To

1. The Assistant Commissioner of Income Tax,
Company Circle III(3), Chennai.

2. The Commissioner of Income-tax (Appeals)-XI,
121, Mahatma Gandhi Road, Chennai-600 034.

3. The Income-tax Appellate Tribunal 'C' Bench,
Chennai.

+1cc to Mr.T.Ravi Kumar,, Advocate, S.R.No.71816

T.C.A.No.592 of 2013

RSV(CO)
CS/25/10/2019