IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 21.8.2019

CORAM :

The Honourable Mr.Justice T.S.SIVAGNANAM

and

The Honourable Mrs.Justice V.BHAVANI SUBBAROYAN

Tax Case Appeal Nos.802 and 803 of 2013

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

Vs

M/s.SPIC Holidays & Investments Ltd. (merged with Southern Petro-chemicals Industries Corporation Ltd.), Chennai-32. ...Respondent/ Appellant

APPEALS under Section 260A of the Income Tax Act, 1961 against the common order dated 09.4.2013 made in ITA.Nos.2031 & 2109/Mds/2008 on the file of the Income Tax Appellate Tribunal, Chennai 'C' Bench for the assessment year 2004-05 against the order of the Commissioner of Income Tax Appeals V, chennai 34 dated 10.03.2008 made in ITA.NO.387/2006-2007 against the Deputy commissioner of Income tax, Company Circle V(1), chennai dated 30.11.2006 , made in PAN/GIR NO. AABCS4877 M /51006-S for the Asessment Year 2004-2005.

For Appellant :Mr.T.Ravikumar, SSC
For Respondent:Mr.R.Venkatanarayanan for M/s.Subbarayar Aiyer Padmanabhan

COMMON JUDGMENT
(Judgment was delivered by T.S.Sivagnanam,J)

We have heard Mr.T.Ravikumar, learned Senior Standing Counsel appearing for the appellant - Revenue and Mr.R.Venkatanarayanan, learned counsel appearing for the respondent - assessee.

2. These appeals, filed by the Revenue under Section 260A of the Income Tax Act, 1961, are directed against the common order

dated 09.4.2013 made in ITA.Nos.2031 & 2109/Mds/2008 on the file of the Income Tax Appellate Tribunal, Chennai 'C' Bench for the assessment year 2004-05.

3. The appeals were admitted on 28.1.2014 on the following substantial questions of law :

> "TCA.No.802 of 2013 :
>
> Whether, on the facts and circumstances of the case, the Income Tax Appellate Tribunal was right in holding that the dues waived by the ICICI Bank on the one time settlement of the loan was not an income chargeable to income tax under Section 28 (iv) of the Income Tax Act? and
>
> TCA.No.803 of 2013 :
>
> Whether, on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in holding that the interest expenditure incurred by the assessee is an allowable deduction though the borrowed sums are diverted to the group companies without charging interest ?"

4. The learned Senior Standing Counsel for the appellant submits that the above appeals are not pursued by the Revenue on account of the low tax effect in terms of Circular No.17/2019 dated 08.8.2019 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 the respective cases is less than the threshold limit.

5. In the light of the said submissions, the above tax case appeals are dismissed on account of the low tax effect. The substantial questions of law framed are left open. In the event the tax effect in the respective cases 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 appeals to be heard and decided on merits. No costs.

Sd/-
Assistant Registrar(CS)

//True Copy//

Sub Assistant Registrar

To
THE INCOME TAX APPELLATE TRIBUNAL, CHENNAI 'C' BENCH.

2. THE COMMISSIONER OF INCOME TAX APPEALS V, CHENNAI 34

3. THE DEPUTY COMMISSIONER OF INCOME TAX, COMPANY CIRCLE V(1), CHENNAI

+1cc to Mr.T.R.Senthil kumar , Advocate SR.No. 71734
+1cc to M/s.Subbarayar Aiyer Padmanabhan, Advocate SR.No. 71730

TCA.Nos.802 & 803 of 2013

A.SK(03/12/2019)