In the High Court of Judicature at Madras

Dated : 28.08.2019

Coram :

The Honourable Mr.Justice T.S.SIVAGNANAM
and
The Honourable Mrs.Justice V.BHAVANI SUBBAROYAN

Tax Case Appeal Nos.665 to 668 of 2018

Commissioner of Income Tax,
Corporate Ward-3, Chennai. ...Appellant

Vs

Tamil Nadu Sugar Corporation Limited,
690, EVR Building, Anna Salai, Chennai - 600 035.
PAN: AAACT1308B ...Respondent

APPEALS under Section 260A of the Income Tax Act, 1961 against the common order dated 05.01.2018 made in ITA.Nos.1827, 1828, 2054 and 2055/Mds/2017 on the file of the Income Tax Appellate Tribunal, Chennai 'C' Bench for the assessment years 2012-13 and 2013-14.

against the order of the Commissioner of Income Tax (Appeals) - 11, Chennai made in ITA.Nos.100/2015-16/CIT(A)-11 and 36/2016-17/CIT(A)-11, dated 19.05.2017 and 23.05.2017 respectively and against the order of the Assistant Commissioner of Income Tax Corporate Circle - 3 (1), Chennai-600 034 and Income Tax Officer Corporate Ward -3 (1), Chennai-34 order dated 23.03.2015 and 23.03.2016 made in GIR.No. AACTI 1308B respectively.

For Appellant : Mr.M.Swaminathan, SSC assisted by
Ms.V.Pushpa, SSC

For Respondent: Mr.V.S.Jayakumar

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

We have heard Mr.M.Swaminathan, learned Senior Standing Counsel assisted by Ms.V.Pushpa, learned Senior Standing Counsel appearing for the appellant - Revenue and Mr.V.S.Jayakumar, 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 05.01.2018 made in ITA.Nos.1827, 1828, 2054 and 2055/Mds/2017 on the file of the Income Tax Appellate Tribunal, Chennai 'C' Bench for the assessment years 2012-13 and 2013-14.

3.The appeals were admitted on 16.11.2018 on the following substantial questions of law :

> "i.Whether the Tribunal was correct and justified in restricting the disallowance made under Section 14A to the extent of exempt income?
>
> ii.Whether the Tribunal was justified that the investment in shares in sister concerns also yielded dividend income, which is exempt from income tax and hence, provisions of Section 14A are applicable? and
>
> iii.Whether the Tribunal was justified in holding that loans were given out of mixed bag funds and hence, interest on loan given to sister concern is not an allowable business expenditure under Section 36(1)(iii)?"

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-IV)

//True Copy//

Sub Assistant Registrar

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To

1.The Income Tax Appellate Tribunal,
Chennai 'C' Bench.

2.The Commissioner of Income Tax,
Corporate Ward -3, Chennai.

3.The Commissioner of Income Tax (Appeals) - 11,
Chennai - 34.

4.The Income Tax Officer,
Corporate Ward -3 (1), Chennai -34.

5.The Assistant Commissioner of Income Tax,
Corporate Circle - 3 (1), Chennai - 34.

+1cc to Mr.V.S.Jayakumar, Advocate, S.R.No. 74232
+1cc to Mr.M.Swaminathan, Advocate, S.R.No. 74844

TCA.Nos.665 to 668 of 2018

CP(CO)
GN(06/11/2019)