IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 06.08.2020

CORAM

THE HON'BLE DR.JUSTICE VINEET KOTHARI

AND

THE HON'BLE MR.JUSTICE KRISHNAN RAMASAMY

T.C.A.No.2021 of 2008

The Commissioner of Income Tax
Tamil Nadu VII, Madras ... Appellant

vs.

M/s.Aluglass Electricals,
No.60, EVK Sampath Salai,
Chennai 600 007 ... Respondent

Prayer ::- Appeal filed against the order of the Income Tax Appellate Tribunal, "A" Bench, Chennai, dated 09.06.2008 in I.T.A.No.1768/Mds/2007.

For appellant : Mr.Karthik Ranganathan,
Sr.Standing Counsel

JUDGMENT

(Made by DR.VINEET KOTHARI, J.)

The Court was held by Video Conference, as per the Resolution of the Full Court dated 3 July 2020, by Judges at their respective residence and the counsel, staff of the Court appearing from their respective residences.

2. 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, “A” Bench, Chennai, dated 9 June 2008, in I.T.A.No.1768/Mds/2007 by raising the following substantial question of law:

> *""Whether on the facts and in the circumstances of the case the Income Tax Appellate Tribunal was right in law in deleting the disallowance of interest Rs.20,45,578/-, claimed as business expenditure by the Assessee, even though the Assessing Officer made the addition on account of interest payment on borrowed funds?"*

3. When the matter is taken up for hearing, learned Standing Counsel brought to our notice the Circular issued by the Central Board of Direct Taxes vide Circular No.17/2019 dated 8 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).

4. 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is said to be less than the monetary limit imposed and therefore, the Appeal filed by the Revenue is dismissed as withdrawn, keeping open the substantial question of law for determination in appropriate cases.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.

5. Registry is directed to send a copy of the judgment to the Respondent/Assessee in the address given in the Appeal.

(V.K.,J.) **(K.R.,J.)**
06.08.2020

kpl/tar

To

M/s.Aluglass Electricals,
No.60, EVK Sampath Salai,
Chennai 600 007

DR.VINEET KOTHARI, J.
and
KRISHNAN RAMASAMY, J.

(tar)

<u>T.C.A.No.2021 of 2008</u>

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