IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATE: 22.01.2021

CORAM:

THE HON'BLE MR. JUSTICE M.DURAISWAMY
AND
THE HON'BLE MRS.JUSTICE T.V.THAMILSELVI

T.C.A.No.1574 of 2008

Commissioner of Income Tax,
Chennai. ... Appellant

Vs.

M/s.Shriram Chits & Investments P. Ltd.,
149, Greams Road,
Chennai – 6. ... Respondent

Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras, "C" Bench, dated 19.12.2007 in I.TA.No.1088/Mds/2006, Assessment Year 2002-03.

For Appellant : Mr.J.Narayanasamy,
Senior Standing Counsel

For Respondent : Mr.R.Sivaraman

JUDGMENT
(Judgment was delivered by M.DURAISWAMY, J.)

We have heard Mr.J.Narayanasamy, learned Senior Standing Counsel for the appellant/Revenue and Mr.R.Sivaraman, learned counsel for the respondent/assessee.

2.The appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 (for short, the Act) is directed against the order dated 19.12.2007 made in I.TA.No.1088/Mds/2006 on the file of the Income Tax Appellate Tribunal, Chennai, "C" Bench (for brevity, the Tribunal) for the Assessment Year 2002-03.

3.The appeal was admitted on 06.11.2008 on the following substantial question of law:

> "Whether on the facts and circumstances of the case, the Tribunal was right in holding that the interest paid on debentures should be allowed as a deduction even though the amounts had been utilised for long terms investment in shares for earning dividends which are exempt from tax?"

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5.In the light of the said submissions, the above Tax Case Appeal is dismissed as withdrawn on account of the Low Tax Effect. The substantial question of law framed is left open. In the event the tax effect in this case 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.

[M.D., J.] [T.V.T.S., J.]
22.01.2021
(1/2)

Index : Yes/No
Internet : Yes
va

M.DURAISWAMY, J.

and

T.V.THAMILSELVI, J.

va

To

The Income Tax Appellate Tribunal, Chennai, “C” Bench

T.C.A.No.1574 of 2008
(1/2)

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