IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATE: 17.02.2021

CORAM:

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

T.C.A.Nos.612 to 614 of 2011

The Commissioner of Income Tax,
Chennai. ... Appellant in all 3 TCAs

Vs.

M/s.GMAC Financial Services India Ltd.,
Arihant 'E" Park II Floor,
No.117/1, L.B.Road,
Adyar, Chennai – 600 020. ... Respondent in all 3 TCAs

Appeals preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras, "D" Bench, dated 20.04.2011 in I.TA.Nos.1537/Mds/2009, 1538/Mds/ 2009 & 1539/Mds/2009 Assessment Year 2005-06, 2006-07 & 2007-08.

TCA.No.612 to 614 of 2011:against the order of the Commissioner of Income Tax(Appeals)-XI, 121 Mahatma Gandhi Road, Chennai-600 034 dated 02/07/2009 ITA.No.418,419,434,453, 685/06-07 PAN AACG3844K for the Assessment year 2005-06, 2006-07, 2007-08.

For Appellant : Ms.Brinda and
(in all 3 TCAs) Mr.Karthick Ranganathan,
Senior Standing Counsel

For Respondent : Mr.Shreekumar
(in all 3 TCAs) for Mr.R.Sivaraman

COMMON JUDGMENT

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

We have heard Ms.Brinda, learned Standing Counsel for the appellant/Revenue and Mr.Shreekumar, learned counsel for the respondent/assessee.

2.The appeals, filed by the Revenue under Section 260A of the Income Tax Act, 1961 (for short, the Act) are directed against the order dated 20.04.2011 made in I.TA.

Nos.1537/Mds/2009, 1538/Mds/2009 & 1539/Mds/2009 on the file of the Income Tax Appellate Tribunal, Chennai, "D" Bench (for brevity, the Tribunal) for the Assessment Years 2005-06, 2006-07 & 2007-08.

3.The appeals were admitted on 08.02.2012 on the following substantial question of law:

> "Whether on the facts and in the circumstances of the case, the Tribunal was right in holding that the guarantee commission cannot be treated as in the nature of 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 08.08.2019 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 these cases are less than the threshold limit.

5.In the light of the said submissions, the above Tax Case Appeals are dismissed as withdrawn on account of the Low Tax Effect.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 these 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/-
Asst.Registrar (CS VII)

/true copy/
Sub Asst. Registrar

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To

1.The Income Tax Appellate Tribunal, Chennai, "D" Bench
Madras

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

T.C.A.Nos.612 to 614 of 2011

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