IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATE: 02.02.2021

CORAM:

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

T.C.A.No.144 of 2013

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

vs.

M/s. BNT Connections Impex Ltd.,
No.41, KKR Avenue, Moolakadai,
Perambur, Chennai. - 600 011.
... Respondent/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 17.09.2012 in ITA.No.1287/Mds/2012 for the Assessment Year 2008-09 preferred against the order of the Commissioner of Income Tax (A) III, Chennai 34 dated 12.03.2012 made in ITA.No. 701/2010-11/A-III filed against the Assessment under of the Assistant Commissioner of Income Tax Company Circle - I (2), Chennai 34 dated 28/12/2010 for the Assessment Year 2008-2009.

For Appellant : Mr.T. Ravikumar
Standing Counsel
For Respondent : Mr. R. Sivaraman

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

We have heard Mr.T. Ravikumar, learned Standing Counsel for the appellant/Revenue and Mr. R.Sivaraman 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 17.09.2012 made in ITA.No.1287/Mds/2012 on the file of the Income Tax Appellate Tribunal, Chennai, "C" Bench (for brevity, the Tribunal) for the Assessment Year 2008-09.

3.The appeal was admitted on 11.01.2016 on the following substantial question of law:

" Whether, on the facts and circumstances of the case, the Appellate Tribunal was right in holding that diversion of borrowed funds for investment in its subsidiary would not lead to disallowance of interest under section 36(1)(iii)?"

4.The learned Standing Counsel appearing 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5.In the light of the said submissions, the above Tax Case Appeal is dismissed as withdrawn on account of the Low Tax Effect.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.

Sd/-

Assistant Registrar

//True Copy//

Sub Assistant Registrar

Rj

To

1.The Assistant Registrar,
The Income Tax Appellate Tribunal,
Chennai, "C" Bench.

2.The Commissioner of Income Tax (A),
121, Mahatma Gandhi Road,
Chennai 34.

3.The Assistant Commissioner of Income Tax,
Company Circle - I (2),
Chennai 34.

+1cc to Mr.T.Ravikumar, Advocate, S.R.No. 5428

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RSI(CO)
GN(22/02/2021)