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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 21.09.2022

CORAM :

THE HONOURABLE MR. JUSTICE S.VAIDYANATHAN

AND

THE HONOURABLE MR. JUSTICE C.SARAVANAN

Tax Case Appeal No.911 of 2009

Commissioner of Income Tax III,
Chennai. .. Appellant

Versus

M/s.Rambal Properties Pvt Ltd.
20, Corporation Road, Seevaram
Perungudi, Chennai. .. Respondent

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order dated 06.04.2009 passed by the Income Tax Appellate Tribunal, Madras "B" Bench, in I.T.A.No.1758/Mds/2008.

For Appellant : Mr.T.Ravikumar

For Respondent : Mr.R.Sivaraman

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J U D G M E N T

S.VAIDYANATHAN, J
and
C.SARAVANAN, J

This Tax Case Appeal has been filed by the Appellant / Revenue, calling in question the correctness of the order dated 06.04.2009 passed by the Income Tax Appellate Tribunal, 'B' Bench, Chennai, in I.T.A.No.1758/Mds/2008, relating to the assessment year 2003-04.

2.By order dated 05.10.2009, this court admitted the aforesaid tax case appeal on the following substantial question of law:

> *"1. Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in holding that the Minimum Guarantee Charges paid by the assessee company to some other companies of the same group were allowable even though the borrowals in question had no nexus to the assessee's business and no business expediency had been established?"*

3. When the matter was taken up for consideration, the learned counsel for the appellant / Revenue brought to the notice of this court the Circular No.17/2019 dated 08.08.2019 issued by the Central Board Direct Taxes, 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). It is also submitted that the tax effect in this appeal is less

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than the threshold limit.

3. In the light of the aforesaid submissions made by the learned counsel for the appellant / Revenue, the present appeal, wherein, the tax effect is said to be less than the monetary limit imposed, is dismissed as withdrawn, keeping open the substantial question of law for determination in an appropriate cases. No costs.

4. Registry is directed to return the original order, if any enclosed along with this Appeal after retaining the copy of the same with the court bundle.

[S.V.N, J.] [C.S.N, J.]
21.09.2022
(1/2)

Internet : Yes
Index : Yes / No
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S. VAIDYANATHAN, J.
AND
C.SARAVANAN, J.

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To

1. The Income Tax Appellate Tribunal,
   Chennai “B” Bench.

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

3.The Commissioner of Income Tax (Appeals)IX,
   Chennai.

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