IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 03.03.2025

CORAM

THE HONOURABLE MR. JUSTICE S.S.SUNDAR
and
THE HONOURABLE MR. JUSTICE C.SARAVANAN

Tax Case (Appeal) Nos.1337 and 1339 of 2010

The Commissioner of Income Tax,
Chennai. ... Appellant in both Appeals

Vs.

M/s.Gem Granites,
76, Cathedral Road,
Chennai - 86. ... Respondent in both Appeals

Prayer in T.C.A.No.1337 of 2010: The Tax Case Appeal is filed under Section 260A of Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras "A" Bench, dated 28.02.2007 passed in I.T.A.No.515/Mds/05.

Prayer in T.C.A.No.1339 of 2010: The Tax Case Appeal is filed under Section 260A of Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras "A" Bench, dated 28.02.2007 passed in I.T.A.No.531/Mds/05.

For Appellant in both Appeals : Mr.Karthik Ranganathan Senior Standing Counsel

For Respondent in both Appeals : Mr.G.Baskar

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JUDGMENT

(Judgment of the Court was delivered by ***S.S. SUNDAR, J.)***

The present Tax Case Appeals have been filed against the order of the Income Tax Appellate Tribunal, Madras "A" Bench, dated 28.02.2007 passed in I.T.A.No.515/Mds/05 and I.T.A.No.531/Mds/05, respectively.

2. In these appeals, the appellant has raised the following substantial questions of law to be answered:-

> *"1. Whether on the facts and circumstances of the case, the Tribunal was right in holding that additions of Rs.5.40 Cr. and Rs.5.04 Cr. for the assessment years 2000-01 and 2001-02 cannot be made towards interest free lending of the interest bearing funds by assessee to its sister concern?*
>
> *2. Whether on the facts and circumstances of the case, the Tribunal was right in holding interest incomes returned by the assessee are to be treated as business income and same is eligible for deduction under Section 80 HHC?*
>
> *3. Whether on the facts and circumstances of the case, the Tribunal was right in holding that the interest under Section 234D is not leviable on the assessee for the present*

assessment years?"

3. Today when the matters are taken up for hearing, the learned Senior Standing Counsel appearing for the appellant/Department submitted that the amount involved in the present appeals is below the monetary limit as per the circulars issued by the Government of India, Ministry of Finance, Department of Revenue, Central Board of Direct Taxes in Circular No. 5/2024 and 09/2024 dated 15.03.2024 and 17.09.2024 respectively. He therefore, submitted that these appeals may be dismissed as withdrawn.

4. In view of the aforesaid submissions made by the learned Senior Standing Counsel for the appellant, these Tax Case Appeals are dismissed as withdrawn. However, the substantial questions of law are left open. There shall be no order as to costs.

(S.S.S.R., J.) (C.S.N., J.)
03.03.2025

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S.S. SUNDAR, J.
and
C. SARAVANAN, J.

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To

The Income Tax Appellate Tribunal,
Madras "A" Bench.

Tax Case (Appeal) Nos.1337 and 1339 of 2010

03.03.2025