IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 19.8.2019

CORAM :

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM

AND

THE HONOURABLE MRS.JUSTICE V.BHAVANI SUBBAROYAN

Tax Case Appeal No.1055 of 2010

The Commissioner of Income
Tax, Chennai ...Appellant

Vs

M/s.G.F.Securities, Chennai ...Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 26.5.2010 made in ITA.No.1215/Mds/2009 on the file of the Income Tax Appellate Tribunal, Chennai 'C' Bench for the assessment year 2006-07 against the order of the Commissioner of Income Tax (Appeals)-VI,chennai 34 dated 16.07.2009 and made in ITA.No 91/08-09 for the Assessment Year 2006-2007

against the order of the Deputy Commissioner of Income taxm Circle-I,Chennai 34 dated 03.12.2008 and made in PAN/GIR NO. AAEFG 1475 D for the Assessment Year 2006-2007.

For Appellant: Mr.T.Ravikumar,
Senior Standing Counsel
For Respondent:Mr.A.S.Sriraman

Judgment was delivered by T.S.Sivagnanam,J

We have heard Mr.T.Ravikumar, learned Senior Standing Counsel appearing for the appellant - Revenue and Mr.A.S.Sriraman, learned counsel appearing for the respondent - assessee.

2. This appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 is directed against the order dated 26.5.2010 made in ITA.No. 1215/Mds/2009 on the file of the Income Tax Appellate Tribunal, Chennai 'C' Bench for the assessment year 2006-07.

3. The appeal was admitted on 09.11.2010 on the following substantial questions of law :

> "i. Whether, on the facts and in the circumstances of the case, the Appellate Tribunal was right in deleting the disallowance made by the Assessing Officer holding that the debt was transacted in the course of the assessee's business when there was a clear finding by the First Appellate Authority that the debt was not transacted in the course of conducting of the business and that shouldering of loan of the sister concern by the assessee is not at all found related to its business ? and
>
> ii. Whether, on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in coming to the conclusion referred to in the preceding question, which was diametrically opposed to the Tribunal's own conclusion in the original order by recalling the said order, which is beyond the scope of Section 254(2) ?"

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 08.8.2019 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 on account of the low tax effect. The substantial questions of law framed are left open. In the event the tax effect 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(insp cell)

//True Copy//

Sub Assistant Registrar

To
THE INCOME TAX APPELLATE TRIBUNAL, CHENNAI 'C' BENCH.CHENNAI

2.THE DEPUTY COMMISSIONER OF INCOME TAX CIRCLE-I, CHENNAI 34

3.THE COMMISSIONER OF INCOME TAX (APPEALS)-VI,CHENNAI 34

+1cc to Mr.T.Ravikumar , Advocate SR.No. 70060
+1cc to Mr.S.Sridhar, Advocate SR.No. 70083

TCA.No.1055 of 2010

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A.SK(15/10/2019)