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 Nos.1082 and 1083 of 2010

The Commissioner of Income
Tax, Chennai ...Appellant

Vs

Shri.R.Rajnikant ...Respondent

APPEALS under Section 260A of the Income Tax Act, 1961 against the common order dated 18.12.2009 made in ITA.Nos.1574 and 1575/Mds/2009 on the file of the Income Tax Appellate Tribunal, Chennai 'B' Bench for the assessment years 2003-04 and 2004-05. Preferred against the order dated 17.07.2009 made in ITA No.56 and 213/2006-07 on the file of the office of the Commissioner of Income Tax (Appeals)-VI Chennai-34 filed against the assessment order of the Deputy Commissioner of Income Tax, Media Circle II, Chennai-34 dated 31.03.2006 and 27.12.2006 respectively for the Assessment Year 2003-04 and 2004-2005.

For Appellant:Mr.M.Swaminathan, SSC assisted by
Ms.S.Premalatha, SC

For Respondent:Mr.A.S.Sriraman

COMMON JUDGMENT
(Judgment was delivered by T.S.Sivagnanam,J)

We have heard Mr.M.Swaminathan, learned Senior Standing Counsel assisted by Ms.Premalatha, learned Standing Counsel appearing for the appellant - Revenue and Mr.A.S.Sriraman, learned counsel appearing for the respondent - assessee.

2. These appeals, filed by the Revenue under Section 260A of the Income Tax Act, 1961, are directed against the common order dated 18.12.2009 made in ITA.Nos.1574 and 1575/Mds/2009 on the

file of the Income Tax Appellate Tribunal, Chennai 'B' Bench for the assessment years 2003-04 and 2004-05.

3. The appeals were admitted on 11.1.2001 on the following substantial questions of law :

> "i. Whether, on the facts and circumstances of the case, the Tribunal was right in holding that the income from the money lending activity between its friends and relatives as hand loan without any stipulated terms on the basis of relationship, as per the assessee's admission during the course of survey had to be treated as income from business, when the assessee had ratified the statement given during the survey by way of revised return wherein the bad debt claim was withdrawn ? and
>
> ii. Whether, on the facts and circumstances of the case, the Tribunal was right in holding that the assessee is entitled for claim of deduction of bad debt for the assessment year 2006-07?"

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 08.8.2019 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 the respective cases is less than the threshold limit.

5. In the light of the said submissions, the above tax case appeals are dismissed on account of the low tax effect. The substantial questions of law framed are left open. In the event the tax effect in the respective 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/-
Assistant Registrar(CS-VI)

//True copy//

Sub Assistant Registrar

RS

To

1.The Income Tax Appellate Tribunal, Chennai 'B' Bench.

2. The Deputy Commissioner of Income Tax,
   Media Circle II, Chennai.

3. The Commissioner of Income Tax Appeals VI,
   Chennai-34.

4. The Joint Commissioner of Income Tax,
   Media Range, Chennai-34.

+1cc to Mr.M.Swaminathan, Advocate SR.No.70420

+1cc to Mr.S.Sridhar, Advocate SR.No.70084

TCA.Nos.1082 & 1083 of 2010

RSI(CO)
GMY(28/10/2020)