In the High Court of Judicature at Madras

Dated : 27.08.2019

Coram :

The Honourable Mr.Justice T.S.SIVAGNANAM
and
The Honourable Mrs.Justice V.BHAVANI SUBBAROYAN

Tax Case Appeal No.572 of 2015

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

Vs

M/s.Wheels India Ltd.,
Padi, Chennai - 600 050. ...Respondent/Appellant

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 14.03.2014 made in ITA.No.43/MDS/2010 on the file of the Income Tax Appellate Tribunal, Chennai 'A' Bench for the assessment year 2006-07 against the order of Commissioner of Income Tax (Appeals) Large Taxpayer Unit, Chennai in ITA No.32/08-09 LTU(A) dated 30.11.2009 against the Assessment order of the Commissioner of Income Tax, Large Tax Payer Unit Chennai in GI No/PAN AAACNo315K dated 17/11/08.

For Appellant : Mr.T.Ravikumar, SSC
and Ms.R.Hemalatha, SSC

For Respondent: Mr.R.Venkatanarayanan
for M/s.Subbaraya Aiyar Padmanabhan

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

We have heard Mr.T.Ravikumar, learned Senior Standing Counsel, and Ms.R.Hemalatha, learned Senior Standing Counsel appearing for the appellant/revenue and Mr.R.Venkatanarayanan, learned counsel for M/s.Subbaraya Aiyar Padmanabahan, 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 14.03.2014 made in ITA.No.43/MDS/2010 on the file of the Income Tax Appellate Tribunal, Chennai 'A' Bench for the assessment year 2006-07.

3.The appeal was admitted on 27.07.2015 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 entertaining additional grounds on the issue of disallowance of loan arising from sales tax liability which does not arise out of order of the CIT(A) nor the assessment order?

ii) Whether on the facts and in the circumstances of the case, the Appellate Tribunal was right in law in holding that the difference between sales tax loan amount and the amount paid on net present value basis under sales tax deferral scheme of the Maharashtra Government is not a remission of liability under Section 41(1) of the Income Tax Act?"

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(CS-III)

//True copy//

Sub Assistant Registrar

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To

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

2. The Commissioner of Income Tax, Chennai

3. The Commissioner of Income Tax (Appeals) Large
   Taxpayer Unit, Chennai.

4. The Assistant Commissioner of Income Tax Large,
   Tax Payer Unit, Chennai.

+1cc to Mr.T.Ravikumar, Advocate SR.No.73345

+1cc to M/s.Subbaraya Aiyar Padmanabhan, Advocate SR.No.73638

PVS(CO)
GMY(06/11/2019)