IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 30.8.2019

CORAM :

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM

AND

THE HONOURABLE MRS.JUSTICE V.BHAVANI SUBBAROYAN

Tax Case Appeal No.710 of 2016

The Commissioner of Income
Tax, Central-I, Chennai-34 ...Appellant/Appellant

Vs

M/s.Chettinad Builders Pvt. Ltd.,
Chennai-6. ...Respondent/Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 31.3.2016 made in ITA.No.1645/Mds/2015 on the file of the Income Tax Appellate Tribunal, Chennai 'B' Bench for the assessment year 2010-11 against the Order of the Commissioner of Income Tax (Appeals), No.121, Mahatma Gandhi Road, Chennai -34,dated 25.03.15 and made in ITA No.210/13-14/A-1 (New No.ITA No.74/CIT(A)-1/2013-14) and against the Order of the Assistant Commissioner of Income Tax Company Circle-I(3), Chennai -34, dated 20.03.13 and made in PAN GIR No.AACCC4133B for the Assessment Year 2010-11

For Appellant: Mr.T.R.Senthilkumar, SSC assisted by
Ms.K.G.Usharani, SC

For Respondent:Mr.A.S.Sriraman

Judgment was delivered by T.S.Sivagnanam,J

We have heard Mr.T.R.Senthilkumar, learned Senior Standing Counsel assisted by Ms.K.G.Usharani, learned 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 31.3.2016 made in ITA.No. 1645/Mds/2015 on the file of the Income Tax Appellate Tribunal, Chennai 'B' Bench for the assessment year 2010-11.

3. The appeal was admitted on 04.10.2016 on the following substantial questions of law :

> "i. Whether, on the facts and circumstances of the case and in law, the Tribunal is correct in holding that Rule 8D (2)(ii) is not attracted ?
>
> ii. Whether, on the facts and circumstances of the case and in law, the Tribunal is correct in holding that the amount advanced by the assessee is from interest free loan? and
>
> iii. Whether, on the facts and circumstances of the case and in law, the Tribunal is correct in holding that the money was advanced out of interest free funds, which is contrary to the facts on record?"

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

//True Copy//

Sub Assistant Registrar

To

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

2. The Commissioner of Income Tax
(Appeals)1,No.121, Mahatma Gandhi Road,
Chennai -34

3.The Assistant Commissioner of
Income Tax
Company Circle-I(3),
Chennai -34,

+1cc to Mr.S.Sridhar, Advocate, SR.No.76090
+1cc to Mr.T.R.Senthil Kumar, Advocate, SR.No.75708

TCA.No.710 of 2016

Kak(18/11/2019)