IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 28.08.2019

Coram :

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

Tax Case Appeal No.374 of 2018

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

Vs.

M/s.Displaytronics Reader Devices Ltd.,
No.72, Greams Road, Thousand Lights,
Chennai - 600 006.
PAN: AADCD0117D ...Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 21.02.2017 made in ITA.No.1758/MDS/2016 on the file of the Income Tax Appellate Tribunal, Chennai 'C' Bench for the assessment year 2011-12, as against the order of the Commissioner of Income Tax, 121, Mahatma Gandhi Road, Chennai made in ITA.No.169/14-15(New No.ITA.228/CIT(A)-1/2014-15) dated 26/02/2016 as against the order of the Income Tax Officer, Company Ward -I(1) Chennai -34 in GIR/PAN No.AADCDO117D dated 31/03/2014 for the Assessment year 2011-12.

For Appellant : Mr.T.Ravikumar, SSC
and Ms.R.Hemalatha, SSC
For Respondent : No appearance

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.

2.This appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 is directed against the order dated 21.02.2017 made in ITA.No.1758/MDS/2016 on the file of the Income Tax Appellate Tribunal, Chennai 'C' Bench for the assessment year 2011-12.

3.The appeal was admitted on 10.07.2018 on the following substantial question of law :

> "Whether the deletion of the additions made under Section 2(22)(e) amounting to Rs.2,43,28,711/- is contrary to the judgment of the Supreme Court in Gopal and Sons (HUF) vs. Commissioner of Income tax, Kolkata-XI, reported in (2017) 391 ITR 1 (SC), especially when the assessee had received loans from its sister concern and the Directors, Gokulakrishnan and Gopalakrishnan, were major share holders in both the Companies?"

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 question of law framed is 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 'C' Bench.

2.The Commissioner of Income Tax,
121 Mahatma Gandhi Road, Chennai.

3.The Income Tax Officer, Company Ward -I(1), Chennai -34.

+1 cc to M/s.T.Ravi Kumar,Advocate Sr.No.73652

AKM/30.10.19/2P-5C /