IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 26.08.2019

CORAM

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM
AND
THE HONOURABLE MRS.JUSTICE V.BHAVANI SUBBAROYAN

TAX CASE APPEAL NO.357 OF 2014

Commissioner of Income Tax,
Chennai. .. Appellant

-vs-

M/s.Shanthi Fortune (India) P. Ltd.,
C/o.Shri S.Sridhar, Advocate,
112/1, Periyar Street,
Erode-638 001. .. Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 08.10.2013, made in I.T.A.No.1598/Mds/2013 on the file of the Income Tax Appellate Tribunal 'B' Bench, Chennai for the assessment year 2010-11. against the order of the Commissioner of Income Tax (Appeals)-II Coimabatore dated 28.06.2013 and made in AAJCS4289D/CMBS08490G and against the order of the Income Tax Officer TDS Ward I(3), Coimbatore dated 18.03.2011 for the Assessment year 2010-11

For Appellant : Mr.Karthik Ranganathan,
Senior Standing Counsel

: assisted by Mr.S.Rajesh,
Standing Counsel

For Respondent : M/s.IPN Associates

JUDGMENT
(Delivered by T.S.Sivagnanam, J.)

This appeal filed by the Revenue under Section 260A of the Income-tax Act, 1961 is directed against the order dated 08.10.2013, made in I.T.A.No.1598/Mds/2013 on the file of the Income Tax Appellate Tribunal 'B' Bench, Chennai for the assessment year 2010-11.

2.The above appeal was admitted on 11.08.2014, on the following substantial question of law:-

> "Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in holding that proceedings under Section 201(1) cannot be initiated against the assessee and consequently interest under Section 201(1A) cannot be levied on the assessee with respect to interest credited towards the account of financiers on the loan availed by the assessee on the ground that the assessee and the financiers had entered into agreement whereby the interest was waived by the financiers and in view of Section 194A(4) of the Act?"

3.Heard Mr.Karthick Ranganathan, learned Senior Standing Counsel assisted by Mr.S.Rajesh, learned Standing Counsel for the appellant.

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 08.08.2019 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(Insp.Cell)

//True Copy//

Sub Assistant Registrar

abr

To

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

2. The Commissioner of Income Tax (Appeals)-II,
   O/o.The Commissioner of Income Tax (Appeals)-II,
   Coimabatore.

3. The Income Tax Officer,
   TDS Ward I(3),
   O/o.The Income Tax Officer,
   TDS Ward I(3), 347A Kings Complex Dr.Nanjappa Road,
   Coimabatore.

+1cc to M/s.IPN Associates, Advocate, S.R.No.73826

T.C.A.No.357 of 2014

MP(CO)
CS/31/10/2019