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.734 of 2014

The Commissioner of Income-tax,
Chennai. .. Appellant

-vs-

M/s.Paterson Securities Private Ltd.,
"Vanguard House",
48, Second Line Beach Road,
Chennai-600 001. .. Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 13.08.2010, made in I.T.A.No.1546/Mds/2009 on the file of the Income Tax Appellate Tribunal Bench 'B', Chennai, for the assessment year 2004-05.

against the order of the Commissioner of Income Tax (Appeals) V No. 121, Mahatma Gandhi Road, Chennai 600 034. dated 11.08.2008 ITA.No. 514/2006-07 PAN/GIR No. AAACP 5634P for the assessment year 2004-05 and against the order of the Deputy Commissioner of Income Tax Company Circle V (I) Chennai dated 30/11/2006, PAN /GIR.No. AAACP5634P Ward/Circle/Range/Company Circle V (i) Chennai - 34 for the Assessment Year 2004-05.

For Appellant : Mr.T.Ravikumar, SSC
For Respondent : Mr.J.Balachander

सत्यमेव जयते

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

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This appeal filed by the Revenue under Section 260A of the Income-tax Act, 1961 is directed against the order dated 13.08.2010, made in I.T.A.No.1546/Mds/2009 on the file of the Income Tax Appellate Tribunal Bench 'B', Chennai, for the assessment year 2004-05.

2.The above appeal was admitted on 09.12.2014, on the following substantial questions of law:-

"(i) Whether on the facts and in the

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circumstances of the case, the Income Tax Appellate Tribunal was right in allowing the claim of the assessee to deduct bad debts amounting to Rs.16,99,580/- in respect of S.P.Thangaraj?

(ii) Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in upholding the action of the CIT(A) in deleting the addition of Rs.48,84,400/- made on account of Section 2(22)(e) of the Income-tax Act?

(iii) Whether on the facts and in the circumstances of the case, the Tribunal was right in upholding the action of the CIT(A) in allowing the claim of the assessee in respect of long term capital loss amounting to Rs.48,84,400/- on account of transfer of shares of Paterson Holding Pvt. Ltd., who is the Director of the assessee company for nil consideration?"

3.Heard Mr.T.Ravikumar, learned Senior Standing Counsel for the appellant - and Mr.J.Balachander, learned counsel for the respondent.

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 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-VIII)

//True Copy//

Sub Assistant Registrar

abr

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To

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

2. The Commissioner of Income Tax, Chennai.

3.The Deputy Commissioner of Income Tax Company Circle VII,
Chennai.

+1cc to Mr.T.Ravi Kumar, Advocate, S.R.No. 72366

T.C.A.No.734 of 2014

AD(CO)
GN(13/11/2019)

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