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 Nos.783 to 785 of 2014

Commissioner of Income Tax,
Trichy. .. Appellant in all Appeals

-vs-

M/s.V.R.V. & Co.,
40, THSS Road,
Kumbakkonam. .. Respondent in all Appeals

APPEALS under Section 260A of the Income Tax Act, 1961 against the common order dated 18.02.2014, made in I.T.A.Nos.2252, 2253 & 2254/Mds/2012 on the file of the Income Tax Appellate Tribunal 'A' Bench, Chennai against the order of the Commissioner of Income Tax (Appeals), Tiruchirapalli 620 001 dated 27/09/212 in ITA.No.258/07-08,342/08-09, 341/08-09, 213/10-11 and 212/10-11 against the assessment orders of the Income tax officer, ward-1(1) Kumbakonam dated 09/12/2010 and 31/12/2008 for the assessment year 2004-2005, 2006-2007 & 2008-2009.

For Appellant : Ms.V.Pushpa,
(In all Appeals) Standing Counsel &
Mr.M.Swaminathan,
Senior Standing Counsel

For Respondent : Mr.A.S.Sriraman,
(In all Appeals) For Mr.S.Sridhar

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COMMON JUDGMENT

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

These appeals filed by the Revenue under Section 260A of the Income-tax Act, 1961 are directed against the common order dated 18.02.2014, made in I.T.A.Nos.2252, 2253 & 2254/Mds/2012 on the file of the Income Tax Appellate Tribunal 'A' Bench, Chennai for the assessment years 2004-05, 2006-07 and 2008-09 respectively.

2.The above appeals were admitted on 03.12.2014, on the following substantial questions of law:-

> “(i) Whether the Tribunal was right in treating the accrued interest on entire loans as bad debt and allowing the claim for deduction of bad debts for the assessment years 2004-2005, 2006-2007 and 2008-2009 on the ground that the said bad debt was written off in the books of accounts even though the assessee had realised the loans partially?
>
> (ii) Whether the Tribunal was right in holding that interest accrued on outstanding debtors balances need not be admitted when assessee is following mercantile system of accounting?”

3.Heard Ms.V.Pushpa, learned Standing Counsel and Mr.M.Swaminathan, learned Senior Standing Counsel for the appellant and Mr.A.S.Sriraman, learned counsel for Mr.S.Sridhar, learned counsel for the respondent.

4. The learned Senior Standing Counsel for the appellant submits that the above appeals are 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 appeals are 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 appeals to be heard and decided on merits. No costs.

Sd/-
Asst.Registrar (CS III)

/true copy/

Sub Asst. Registrar

abr

To

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

2.The Commissioner of Income Tax(Appeals) No.44
Williams Road, Cantonment, Tiruchirapalli

3.The Income tax Officer
ward 1 (1) Kumbakkonam

+1 cc to M/s.M.swaminathan Advocate sr73076
+1 cc to Mr.S.Sridhar Advocate sr72500

T.C.A.Nos.783 to 785 of 2014

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