IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 29.08.2019

CORAM

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

Tax Case Appeal No.307 of 2017

Principal Commissioner of Income Tax 4,
No.121, Mahatma Gandhi Road,
Chennai-600 034. .. Appellant/Respondent

-vs-

M/s.Madura Micro Finance Ltd.,
No.36, 2nd Main Road,
Kasturba Nagar, Adyar,
Chennai-600 020.
PAN: AAE CM 4849 A ..Respondent/Appeallant

Appeal under Section 260A of the Income-tax Act, 1961, against the order dated 15.09.2016, made in I.T.A.No.724/Mds/2016 on the file of the Income Tax Appellate Tribunal 'B' Bench, Chennai for the assessment year 2007-08.

For Appellant : Mr.Karthik Ranganathan,
Senior Standing Counsel

: assisted by Mr.S.Rajesh,
Standing Counsel

For Respondent : No appearance

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 15.09.2016, made in I.T.A.No.724/Mds/2016 on the file of the Income Tax Appellate Tribunal 'B' Bench, Chennai for the assessment year 2007-08.

2.The appeal has been admitted on 21.06.2017, on the following substantial questions of law:-

"(i) Whether on the facts and circumstances of the case and in law, Tribunal was right and justified in deleting the addition of Rs.2,10,99,000/- kept in cash collateral even though the entire sale consideration has not only accrued to the assessee but has also been received by it? and

(ii) Whether on the facts and circumstances of the case and in law, Tribunal was right and justified in deleting the addition contrary to the provisions of Section 5(1) as per which entire receipts accrued as income of the year?"

3.Heard Mr.Karthik 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 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 'B' Bench, Chennai.
2.The Commissioner of Income Tax(Appeals)-IV,Chennai -34.
3.The Assistant Commissioner of Income Tax,
Company Circle IV(1), Chennai.

+1cc to Mr.V.S.Jayakumar, Advocate SR.No.75149

AKM/01.11.19 /2P-5C/