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.370 of 2017

Principal Commissioner of Income Tax Central I,
No.108, Nungambakkam High Road,
Chennai-600 034. .. Appellant

-vs-

M/s.Deccan Estates & Constructions Ltd.,
24/46, Dr.B.N.Road,
T.Nagar, Chennai-600 017.
PAN: AAA CD 2068 C .. Respondent

Appeal under Section 260A of the Income-tax Act, 1961, against the order dated 15.12.2016, made in I.T.A.No.227/Mds/2016 on the file of the Income Tax Appellate Tribunal 'B' Bench, Chennai for the assessment year 2008-09, against the Order dated 20.11.2015 made in ITA No.235/14-15 on the file of the Commissioner of Income Tax (Appeals)-19, Chennai for the Assessment year 2008-09 and against the Order dated 30.04.2014 made in PAN No.AAACD2068C on the file of the Deputy Commissioner of Income Tax, Central Circle-III(4), Chennai for the Assessment year 2008-09 against the order dated 21.12.2010 made in PAN/GIR No.AAACD2068C on the file of the Assistant Commissioner of Income Tax, Central Circle III(4), Chennai for the Assessment year 2008-2009.

For Appellant : Mr.T.R.Senthil Kumar,
Senior Standing Counsel

: assisted by Ms.K.G.Usharani,
Standing Counsel

For Respondent : Mr.R.Venkatanarayana,
For M/s.Subbaraya Aiyar
Padmanabhan & Ramamani

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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 15.12.2016, made in I.T.A.No.227/Mds/2016 on the file of the Income Tax Appellate Tribunal 'B' Bench, Chennai for the assessment year 2008-09.

2.The appeal has been filed raising the following substantial questions of law:-

> "(i) Whether, on the facts and circumstances of the case, the ITAT is correct in law in coming to the conclusion that penalty u/s 271 (1)(c) is not attracted to the facts of the case? and
>
> (ii) Whether, on the facts and circumstances of the case, the ITAT is correct in law in stating that the claim of 'bad debts' of Rs.50 lakhs made by the assessee is bonafide mistake, whereas the Appellate Tribunal in the quantum appeal stated that this amount cannot be treated as "bad debt" as the same has never been part of computation of income/loss of the business of the assessee in earlier assessment years?"

3.Heard Mr.T.R.Senthil Kumar, learned Senior Standing Counsel assisted by Ms.K.G.Usharani, learned Standing Counsel for the appellant – and Mr.R.Venkatanarayana, learned counsel, for M/s.Subbaraya Aiyar, Padmanabhan & Ramamani, 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.

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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 (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)-19,
Chennai

3)The Deputy Commissioner of Income Tax,
Central Circle-III(4), Chennai

4)The Assistant Commissioner of Income Tax,
Central Circle III(4), Chennai

+1 cc to Mr.M.R.Senthilkumar, Advocate, S.R.No.75129

+1 cc to Mr.Subbaraya Aiyar, Advocate, S.R.No.75139

T.C.A.No.370 of 2017

MR(CO)
SSM(04/11/2019)

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