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.427 of 2017

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

-vs-

Shri V.Ramesh,
New No.9, Old No.12, TSD Nagar,
1st Main Road, Arumbakkam,
Chennai-600 106.
PAN: ADJPR2424H .. Respondent

Appeal under Section 260A of the Income-tax Act, 1961, against the order dated 23.11.2016, made in I.T.A.No.639/Mds/2016 on the file of the Income Tax Appellate Tribunal 'A' Bench, Chennai for the assessment year 2011-12 against the order of the Commissioner of Income Tax (Appeals-I) dated 15.12.2015 and made in ITA No.351/14-15 and against the order of the Deputy Commissioner of Income Tax, Company Circle I (3) dated 21.03.2014 for the assessment year 2011-12.

For Appellant : Mr.T.Ravikumar
Senior Standing Counsel &
: Ms.R.Hemalatha
Senior Standing Counsel

For Respondent : Mr.M.P.Senthil Kumar,
For Mr.G.Baskar

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 23.11.2016, made in I.T.A.No.639/Mds/2016 on the file of the Income Tax Appellate Tribunal 'A' Bench, Chennai for the assessment year 2011-12.

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

> "(i) Whether on the facts and in the circumstances of the case the Tribunal was right in holding that the provisions of Sec.2(22)(e) cannot be applied in the hands of the assessee?
>
> (ii) Is not the finding of the Tribunal bad since the funds were transferred from Chennai Micro Print P Ltd in which the assessee is a share holder owning 33.33% of the shares and in Talliboy Stationary P Ltd holds 25% of the shares? and
>
> (iii) Whether the reasoning and finding of the Tribunal is proper by holding that the assessee is not the share holders in Chennai Micro Print P Ltd whereas it is a fact that the assessee has 50% share holding disclosed as per the return of income filed in the case of Chennai Micro Print P Ltd?"

3.Heard Mr.T.Ravikumar and Ms.R.Hemalatha, learned Senior Standing Counsel for the appellant - and Mr.M.P.Senthil Kumar, learned representing counsel for Mr.G.Baskar, 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

To

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

2. The Commissionr of Income Tax (Appeals -I),
   Mahatma Gandhi Road, Chennai-34.

3. The Deputy Commissioner of Income Tax,
   Company Circular I (3), Chennai.

+1cc to Mr.T.Ravikumar, Advocate SR.No.74360

+1cc to Mr.G.Baskar, Advocate SR.No.75980

T.C.A.No.427 of 2017

MP(CO)
GMY(04/11/2019)