In the High Court of Judicature at Madras

Dated : 16.6.2020

Coram :

The Honourable Mr.Justice T.S.SIVAGNANAM

and

The Honourable Mrs.Justice PUSHPA SATHYANARAYANA

Tax Case Appeal No.579 of 2015

The Commissioner of Income Tax, Chennai ...Appellant/Respondent

Vs

M/s.Wheel India Ltd., Chennai-50 ...Respondent/Appellant

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 26.11.2013 made in ITA.No.2136/Mds/2010 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench for the assessment year 2007-08.

For Appellant : Mr.T.Ravikumar, SSC & Mrs.R.Hemalatha, SSC

For Respondent: Mr.R.Vijayaraghavan for M/s.Subbarayar Aiyer Padmanabhan

Judgment was delivered by T.S.Sivagnanam,J

We have heard Mr.T.Ravikumar and Mrs.R.Hemalatha, learned Senior Standing Counsel appearing for the appellant - Revenue and Mr.R. Vijayaraghavan, learned counsel appearing on behalf of M/s.Subbaraya Aiyer Padmanabhan, learned counsel on record for the respondent.

2. This appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 (for short, the Act) is directed against the order dated 26.11.2013 made in ITA.No.2136/Mds/2010 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench (for brevity, the Tribunal) for the assessment year 2007-08.

3. The appeal has been admitted on 23.7.2015 on the following substantial questions of law :

> "1. Whether, on the facts and in the circumstances of the case, the Appellate

Tribunal was right in entertaining additional grounds on the issue of disallowance of loan arising from sales tax liability, which does not arise out of order of the CIT(A) nor the assessment order? and

2. Whether, on the facts and in the circumstances of the case, the Appellate Tribunal was right in law in holding that the difference between sales tax loan amount and the amount paid on net present value basis under sales tax deferral scheme of the Maharashtra Government is not a remission of liability under Section 41(1) of the Income Tax Act?"

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 08.8.2019 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, Chennai 'D' Bench.

2.The Commissioner of Income Tax(Appeals)Large tax payer unit II floor, 1775, Jaweherlal Nehru Inner Ring Road, Anna Nagar western Extension, Chennai-600101.

3.The Assistant Commissioner of Income Tax, Large Tax payer, Unit, Chennai.

4.The Commissioner of Income Tax, Chennai.

TCA.No.579 of 2015

AD (CO)
RV (04/09/2020)