In the High Court of Judicature at Madras

Dated : 06.7.2020

Coram :

The Honourable Mr.Justice T.S.SIVAGNANAM
and
The Honourable Mrs.Justice V.BHAVANI SUBBAROYAN

Tax Case Appeal No.255 of 2013

The Commissioner of Income
Tax, Central Circle-II, Chennai ...Appellant

Vs

M/s.Vasavi Jyothi Constructions,
Chennai-5. ...Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 11.5.2012 made in IT(SS)A.No.9/Mds/2011 on the file of the Income Tax Appellate Tribunal, Chennai 'B' Bench for the block period from 01.4.1996 to 15.11.2002.

Against the order dt.20.12.10 made in ITA.No.6/07-08 on the file of the Commissioner of Income Tax (Appeals)-11, Chennai for the Assessment Block Period 01.4.96 to 15.11.02.

Against the order dt.28.2.07 made in GI No/PAN No.24302-V/AACFV 8072H on the file of the Deputy commissioner of Income Tax, Central Circle 11(4) Chennai for the Assessment Block Period 01.4.96 to 15.11.02.

For Appellant: Mr.M.Swaminathan, SSC
Mrs.V.Pushpa, SC &
Mrs.S.Premalatha, SC
For Respondent: Mr.R.Janakiraman

Judgment was delivered by T.S.Sivagnanam,J



We have heard Mr.M.Swaminathan, learned Senior Standing Counsel, Ms.V.Pushpa, Standing Counsel and Mrs.S.Premalatha, learned Standing Counsel appearing for the appellant - Revenue and Mr.G.Baskar, learned counsel appearing 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 11.5.2012 made in IT(SS)A.No.9/Mds/2011 on the file of the Income Tax Appellate Tribunal, Chennai 'B'

Bench (for brevity, the Tribunal) for the block period from 01.4.1996 to 15.11.2002.

3. The appeal has been admitted on 26.7.2013 on the following substantial questions of law :

> "i. Whether, on the facts and in the circumstances of the case, the Appellate Tribunal was right in deleting the addition made by the Assessing Officer towards loan amounting to Rs.31.50 lakhs when the assessee himself has admitted it as loan ? And
>
> (ii) Whether, on the facts and in the circumstances of the case, the Tribunal was right in granting relief of Rs.27,82,600/- towards interest while arriving at the profit from MTH Road project when the assessee has not proved that the loan was specifically incurred for his project ?"

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(CS III)



//True Copy//

Sub Assistant Registrar

To

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

2.The Commissioner of Income
Tax, Central Circle-II, Chennai

3.The Deputy Commissioner of Income Tax,
Central Circle 11(4),
Chennai.

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