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.940 of 2015

The Commissioner of Income Tax, Chennai ...Appellant

Vs

M/s.Shriram Capital Ltd., (Previously known as Shriram Chits and Investments Pvt. Ltd., and subsequently known as Shriram Financial Services Holdings Pvt.Ltd.)
Mookambika Complex,
4, Lady Desika Road
Mylapore Chennai-600 004 ...Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 30.6.2011 made in ITA.No.123/Mds/2011 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench for the assessment year 2004-05 preferred against the order of the Commissioner of Income Tax(Appeals)-V, Chennai-34, dated 08.10.2010, made in ITA.No.668/06-07, against the order passed by the Income Tax Officer(OSD), company circle V I(2), Chennai, dated 28.12.2006, made in PAN.No.AABCS2726B/GIR.No.SH.145.

For Appellant: Mr.J.Narayanasamy, SSC
For Respondent: Mr.R.Sivaraman

Judgment was delivered by T.S.Sivagnanam,J

We have heard Mr.J.Narayanasamy, learned Senior Standing Counsel appearing for the appellant - Revenue and Mr.R.Sivaraman, 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 30.6.2011 made in ITA.No.123/Mds/2011 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench (for brevity, the Tribunal) for the assessment year 2004-05.

3. The appeal has been admitted on 26.10.2015 on the following substantial questions of law :

> "i. Whether, on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in upholding the orders of the CIT(A), who deleted the disallowance of interest made on bank over draft of Rs.9,63,866/- for the advances made to group concerns ? and
>
> ii. Whether, on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in upholding the order of the CIT(A), who disallowed a sum of Rs.90,57,232/- being the loss on consumer durable activity especially when the assessee was following mercantile system of accounting ?"

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.

-s/d-
Assistant Registrar

True Copy
Sub-Assistant Registrar

To

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

2.The Commissioner of Income Tax(Appeals)-V
Chennai-34

3.The Income Tax Officer(OSD)Company Circle V I(2)
Chennai

TCA.No.940 of 2015

ssv(co)
aa05/10/2020