IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 18.08.2020

CORAM :

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM
AND
THE HONOURABLE MRS.JUSTICE V.BHAVANI SUBBAROYAN

TAX CASE APPEAL NO.606 OF 2019

Principal Commissioner of Income Tax 6
121, Mahatma Gandhi Road,
Chennai - 600 034. ...Appellant

-vs-

M/s.Space N Place Promoters P. Ltd.,
No.18, VV Koil Street,
Periamet, Chennai - 600 003.
PAN: AAKCS0817N ...Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 21.03.2019 in ITA.No.1665/Chny/2018 on the file of the Income Tax Appellate Tribunal, Madras 'D' Bench for the assessment year 2011-12.

TCA.No.606 Of 2019:
Appeal filed against the order of the Income Tax Appellate Tribunal Madras 'D' Bench dated 21/03/2019 in ITA.No.1665/Chny/ 2018 for the Assessment Year 2011-2012, against the Commissioner of Income tax(Appeals)-15, ITA.No.277/CIT(P)-15/2015-2016 dated 30/01/2018 PAN No.AAKCS0817N for the Assessment year 2011-2012.

For Appellant : Mr.J.Narayanasamy
Standing Counsel
For Respondent : Mr.R.Sivaraman

Judgment was delivered by T.S.Sivagnanam,J

We have heard Mr.J.Narayanasamy, learned Standing Counsel appearing for the appellant 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 is directed against the order dated 21.03.2019 in ITA.No.1665/Chny/2018 on the file of the Income Tax Appellate Tribunal, Madras 'D' Bench for the assessment year 2011-12.

3. The appeal was filed by raising the following substantial questions of law:

> "1.Whether on the facts and circumstances of the case and in law, the Hon'ble Tribunal was right in holding that cash transactions in the current account could not be considered as loan or advances so as to attract the provisions of Section 269SS of the Income Tax Act, 1961?
>
> 2.Whether on the facts and circumstances of the case and in law, the Hon'ble Tribunal ought to have followed the decision of the Division Bench of Hon'ble Madras High Court in the case of Vasan Healthcare (P) Ltd., vs. Addl. CIT. (103 taxmann.com 26) dated 05.02.2019, whereby in a similar set of facts and circumstances, the Hon'ble Madras High Court had ruled in favour of the Revenue by holding that the assessee-company had accepted cash remittances in contravention of the provisions of section 269SS of the Act and had thus exposed themselves to levy of penalty under Section 271D of the 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.

Sd/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

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To

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

2.The Commissioner of Income Tax(appeals)-15,
121, Mahatma Gandhi Road, Chennai - 34.

3.The Joint Commissioner of Income Tax,
Corporate Range, Chennai - 6

TCA.No.606 of 2019

VSN II (CO)
KKV/09/10/2020