IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 25.02.2021

CORAM

THE HON'BLE MR. JUSTICE M.DURAISWAMY
AND
THE HON'BLE MRS.JUSTICE T.V.THAMILSELVI

T.C.A.No.1411 of 2007

Commissioner of Income Tax,
Chennai. ... Appellant

Vs.

M/s.Aditya Birla Money Ltd.,
formerly known as M/s.Om Sindhoori
Capital Investments Lilmited,
55, Greams Road,
Ali Towers,
Chennai – 600 006. ... Respondent

[Cause title amended vide order of Court
dated 09.03.2016 made in Memo in
T.C.A.No.1411 of 2007]

Tax Case Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Chennai, "B" Bench, dated 16.12.2005 in I.TA.No.338/Mds/2000, Assessment Year 1996-97.

For Appellant : Mr.T.Ravikumar
Senior Standing Counsel

For Respondent : Mr.R.Venkata Narayanan
for M/s.Subbaraya Aiyar

JUDGMENT
(Judgment was delivered by M.DURAISWAMY, J.)

We have heard Mr.T.Ravikumar, learned Senior Standing Counsel for the appellant/Revenue and Mr.R.Venkata Narayanan for M/s.Subbaraya Aiyar, learned counsel for the respondent/assessee.

2.The appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 (for short, the Act) is directed against the order dated 16.12.2005 made in I.TA.No.338/Mds/2000 on the file of the Income Tax Appellate Tribunal, Chennai, “B” Bench (for brevity, the Tribunal) for the Assessment Year 1996-97.

3.The appeal was admitted on 12.11.2007 on the following substantial questions of law:

"1. Whether in the facts and circumstances of the case, the Tribunal was right in holding that the assessee is entitled to depreciation on the amount paid in the sale and lease back transaction for a 20 year old machinery whose cost when new was less than 2% of the value claimed by the assessee?

2.Whether in the facts and circumstances of the case, the Tribunal was right in accepting the price paid in the sale and lease back transaction as such, without applying its mind as to whether it was done with the intention to reduce the impact of income tax?"

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 as withdrawn on account of the Low Tax Effect. The substantial questions of law framed are left open. In the event the tax effect in this case 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.

[M.D., J.] **[T.V.T.S., J.]**
25.02.2021

Index : Yes/No
Internet : Yes
mkn

To

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

2.The Commissioner of Income Tax,
Chennai.

M.DURAISWAMY, J.
and

T.V.THAMILSELVI, J.

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T.C.A.No.1411 of 2007

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