IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATE: 26.03.2021

CORAM:

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

T.C.A.No.1157 of 2015

The Commissioner of Income Tax,
Chennai ... Appellant

v.

M/s. Besser Concerte Systems Ltd.,
C/o. Shri S.Sridhar, Advocate,
New No.14, Flat No.5,
1st Avenue, Indira Nagar,
Adyar, Chennai - 600 020. ... Respondent

Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras, "A" Bench, dated 20.02.2014 in ITA.No.458/Mds/2007 for the Assessment Year 2000-2001 against the order of the commissioner of Income Tax (Appeals) III Chennai, made in ITA No.664/2005-06/A III dated 04/01/2007, for the Assessment Year 2000-01 against the Assessment order of the Assistant Commissioner of Income Tax Company Circle 1 (2), Chennai, ,ade in PAN/GIR No.AAACV3634Q/BX6172 dated 31/01/2006 for the Assessment order dated 2000-01.

For Appellant : Mrs. R.Hemalatha,
Senior Standing Counsel

For Respondent : Mr. M. Kaushik
for Mr. S. Sridhar

JUDGMENT

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

We have heard Mrs. R.Hemalatha, learned Senior Standing Counsel for the appellant/Revenue and Mr.M. Kaushik 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 20.02.2014 made in ITA.No.458/Mds/2007 on the file of the Income Tax Appellate Tribunal, Chennai, ''A'' Bench (for brevity, the Tribunal) for the Assessment Year 2000-2001.

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

"(i) Whether on the facts and circumstances of the case, the Tribunal was right in deleting the addition of Rs.7,46,46,043/- made to book profit especially when clause (b) section 115JA provides that the amount credited to any reserve by whatever name called shall be added back to the book profit?

(ii) Is not the finding of the Tribunal bad especially when section 41(1) speaks about any remission of liability should be in the nature of income and import of section 41(1) cannot be ignored while computing book profit under section 115JA?"

4.The learned Senior Standing Counsel appearing 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 question of law framed is 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.

Sd/-
Assistant Registrar(CS-IV)

//True copy//

Sub Assistant Registrar

Rj

To

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

2. The Commissioner of Income Tax
(Appeals) III, Chennai.

3. The Assistant Commissioner of Income Tax,
Company Circle 1(2)
Chennai.

4. The Commissioner of Income Tax,
   Chennai

+1cc to Mr.S. Sridhar, Advocate SR.No.19750

+1cc to Mr.T.Ravi Kumar, Advocate SR.No.19751

T.C.A.No.1157 of 2015

RLD(CO)
GMY(03/05/2021)