IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 29.09.2021

CORAM :

THE HON'BLE MR. JUSTICE T.S. SIVAGNANAM
AND
THE HON'BLE MR. JUSTICE SATHI KUMAR SUKUMARA KURUP

T.C.A.No.300 of 2013

Commissioner of Income Tax,
Chennai. ...Appellant / Respondent

Vs.

M/s.Laxmi Jewellery,
65, NSC Bose Road,
Sowcarpet,
Chennai 600 079. ...Respondent / Appellant

Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras, “B” Bench, dated 13.09.2012 in I.TA.No.316/Mds/2012, Assessment Year 2008-09.

Against the order passed by the Commissioner of Income Tax (Appeals)-IV, 121, Mahatma Gandhi Road, Chennai-600 034 made in ITA No.167/2010-11/A-IV dated 15.12.2011 for the assessment year 2008-09.

Against the order passed by the Assistant Commissioner of Income Tax, Business Circle XI, II Floor, Kannammai Building, 611, Anna Salai, Chennai-6 made in PAN/G.I.R. No.AAAFL0161F dated 22.12.2010 for the assessment year 2008-09.

For Appellant : Mr.T.Ravi Kumar,
Senior Standing Counsel

For Respondent : Mr.Prithvi Chopda

J U D G M E N T

(Judgment was delivered by T.S. SIVAGNANAM, J.)

We have heard Mr.T.Ravi Kumar, learned Senior Standing Counsel for the appellant/Revenue and Mr.Prithvi Chopda , learned counsel for the respondent/assessee.

2.The appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 (“the Act” for brevity) is directed against the order dated 13.09.2012 made in I.T.A.No.316/Mds/2012 on the file of the Income Tax Appellate Tribunal, Madras, “B” Bench (“the Tribunal” for brevity) for the Assessment Year 2008-09.

3.The appeal was admitted on 23.07.2013 on the following substantial question of law:

> “Whether on the facts and in the circumstances of the case, the Tribunal was right in holding that the assessee firm is not a registered and beneficial shareholder in the group company and cannot be assessed to be deemed dividend under Section 2(22)(e) of the Income Tax 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 08.08.2019 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 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-III)

// True Copy //

Sub Assistant Registrar

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To

1.The Income Tax Appellate Tribunal,
Madras, “B” Bench

2.The Commissioner of Income Tax,
Chennai.

3.The Commissioner of Income Tax (Appeal)-IV,
121, Mahatma Gandhi Road,
Chennai – 600 034.

4.The Assistant Commissioner of Income Tax,
Bussiness Circle XI, II Floor,
Kannammai Building,
611, Anna Salai, Chennai – 6.

5.The Section Officer,
V.R.Section,
High Court, Madras.

+1cc to Mr.T.Paramod Kumar Chopda, Advocate SR.No.50734

+1cc to Mr.T.Ravi Kumar, Advocate SR.No.50302

T.C.A.No.300 of 2013

AK(CO)
RVM(22/10/2021)