IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated: 05.07.2021

CORAM

THE HON'BLE MR.JUSTICE M. DURAISWAMY
AND
THE HON'BLE MRS.JUSTICE R. HEMALATHA

Tax Case Appeal No.989 of 2015

Commissioner of Income Tax
Chennai.

...Appellant

Vs.

M/s.Smart Professional Services (P) Ltd.,
T-11, K.G.Plaza, 3rd Floor,
No.41-44, General Patters Road,
Chennai 600 002.

...Respondent

PRAYER: Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, Chennai "C" Bench, dated 11.03.2015 passed in I.T.A.No.2484/Mds/2014 for the assessment year 2011-2012 as against the order dated 23.06.2014 by the Office of the Commissioner of Income Tax (Appeals)V in I.T.A.No.1754/2013-2014/A-VI Assessment year 2011-2012 and as against the order dated 10.03.2014 by the Office of the Assistant Commissioner of Income Tax Company Circle VI(3) in GIR/PAN CS7314N Assessment year 2011-2012.

For Appellant : Mr. J.Narayanasamy
Senior Standing Counsel

JUDGMENT

(Judgment of the Court was delivered by M. DURAISWAMY, J.)

We have heard Mr.J.Narayanasamy, learned Senior Standing Counsel for the appellant/Revenue.

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 11.03.2015 made in I.T.A.No.2484/Mds/2014 on the file of the Income Tax Appellate Tribunal, Chennai, "C" Bench (for brevity, the Tribunal) for the Assessment Year 2011-2012.

3. The appeal was admitted 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 profits earned by the assessee from the sale of the shares of 2 companies, viz., M/s.Sriram Transport Finance Company Ltd., and M/s.Oriental Green Power Ltd., is to be treated as income from business and not as income from short term capital gains."

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 In the light of the said submissions, the above Tax Case Appeal is dismissed as withdrawn on account of the Low Tax Effect.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.

s/d-
Assistant Registrar(CS-V)

True Copy

Sub-Assistant Registrar

gv

To

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

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

3. The Assistant Commissioner of Income Tax
Company Circle VI(3)
Chennai

Tax Case Appeal No.989 of 2015

SSN(CO)
SP(27/07/2021)