IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 18.06.2021

CORAM

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

T.C.A.No.738 of 2013

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

Vs.

M/s.Indbank Merchant Banking Services Ltd
No.480, Anna Salai,
Chennai – 600 035 ... Respondent/Respondent

Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras, “C” Bench, dated 24.05.2012 in I.TA.No.1984/Mds/2011, Assessment Year 2002-03, preferred against the order of the Commissioner of Income Tax, (Appeals) III, Chennai dated 29.9.2011 made in ITA.No.627/07-08/A-III filed against the Assessment order of the Assistant Commissioner of Income Tax Company Circle II(3) Chennai-34 dated 27.12.2007 for the Assessment year 2002-03.

For Appellant : Mr.Karthik Ranganathan
Senior Standing Counsel

For Respondent : Ms.Sri Niranjani Srinivasan
for Mr.G.Baskar

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

We have heard Mr.Karthik Ranganathan, learned Senior Standing Counsel for the appellant/Revenue and Ms.Sri Niranjani Srinivasan for Mr.G.Baskar 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 24.05.2012 made in I.TA.No.1984/Mds/2011 on the file of the Income Tax Appellate Tribunal, Chennai, “C” Bench (for brevity, the Tribunal) for the Assessment Year 2002-03.

3.The appeal was admitted on 10.04.2014 on the following substantial questions of law:

> "1.Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in law in upholding the order of CIT(A) who deleted the addition on account of non-recognition of income from non performing assets to an extent of Rs.2,45,00,000/-?
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> 2.Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in law in holding that the addition of Rs.2.45 crores on account of non recognition of income from NPA is to be allowed without write off in the books of accounts, which is a condition preceding for claiming relief under Section 36(1)(vii) of the Income Tax Act, 1961?"

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.

Sd/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

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To

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

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

3.The Assistant commissioner of Income Tax,
Company Circle II(3)
Chennai-34.

+1cc to Mr.G.Baskar, Advocate, S.R.No.28285

T.C.A.No.738 of 2013

RSI(CO)
CB(23/07/2021)