IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 18.08.2021

CORAM

The Honourable Mr.Justice T.S.SIVAGNANAM
and
The Honourable Mr.Justice SATHI KUMAR SUKUMARA KURUP

T.C.A.Nos.807 and 808 of 2016

Commissioner of Income Tax,
Corporate Circle 3(1),
Chennai. ..Appellant in both Appeals

-vs-

M/s.Tallboy Stationery Private Limited,
New No.130, Old No.34,
Nelson Manickam Road,
Aminjikarai, Chennai-600 029.
PAN: AACCT 3483H ..Respondent in both Appeals

Appeals under Section 260A of the Income Tax Act, 1961 against the order dated 29.04.2016 made in I.T.A.Nos.2291 & 2292/Mds/2015 on the file of the Income Tax Appellate Tribunal 'B' Bench, Chennai for the assessment years 2011-12 and 2008-09 respectively and as against the order dated 14.10.2015 on the file of the Commissioner of Income tax (Appeals) in I.T.A.Nos.206/2014-2015 & 306/2014-2015 respectively and as against the order dated 29.03.2014 & 10.02.2014 of the Assistant Commissioner of Income Tax, Chennai for the Assessment year 2008-2009 & 2011-2012 respectively.

For Appellant : (In both Appeals) Mr.M.Swaminathan, Senior Standing Counsel & Ms.V.Pushpa, Junior Standing Counsel

For Respondent : (In both Appeals) Ms.S.Sriniranjani,

COMMON JUDGMENT
(Delivered by T.S.Sivagnanam, J.)

These appeals, by the appellant/Revenue, filed under Section 260A of the Income Tax Act, 1961, are directed against the order dated 29.04.2016, made in I.T.A.Nos.2291 & 2292/Mds/2015 on the file of the Income Tax Appellate Tribunal 'B' Bench, Chennai for the assessment years 2011-12 and 2008-09 respectively.

2.The appeals were admitted on 16.11.2016, on the following substantial questions of law:-

> "(i) Whether the Tribunal was correct in law in holding that the addition could not have been made by the Assessing Officer in the hands of the Assessee company as it was not a registered shareholder of M/s.Chennai Micro Prints Private Limited from which Assessee received loan/advance? and
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> (ii) Whether on the facts and circumstances of the case and in law, the Tribunal correctly interpreted the provisions of Section 2(22)(e) in the light of the clarification given by the Board vide Circular No.495 dated 22.9.1987?"

3.Heard Mr.M.Swaminathan, learned Senior Standing Counsel and Ms.V.Pushpa, learned Junior Standing Counsel for the appellant/Revenue and Ms.S.Sriniranjani, learned counsel for the respondent/assessee.

4.The learned Senior Standing Counsel for the appellant/Revenue submits that the above appeals are 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 these cases is less than the threshold limit.

5.In the light of the said submissions, the above tax case appeals are dismissed on account of the low tax effect. The substantial questions of law framed are left open. In the event, the tax effect 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 appeals to be heard and decided on merits. No costs.

s/d-
Assistant Registrar(CS III)

True Copy

Sub-Assistant Registrar

To

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

2.The Commissioner of Income Tax (Appeals)
Corporate Circle 3(1) Chennai

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

+1 CC to Mr.G. Baskar, Advocate sr 41457
+1 CC to Mr.M.Swaminathan, Advocate sr 41542.

T.C.A.Nos.807 & 808 of 2016

SVI(CO)
SP(14/09/2021)