IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 22.03.2021

CORAM

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

T.C.A.No.1016 of 2014

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

Vs.

Shri Jagadish A Sadarangani
Romar Fashions Romar House,
15, Jagannathan Road,
Nungambakkam,
Chennai - 600 034. ... Respondent

PRAYER:Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras, "A" Bench, dated 20.06.2014 in I.T.A.No.235/Mds/2014, Assessment Year 2010-11. Preferred against the order dated 31.10.2013, passed in ITA.No.1711/2013-14, by the Commissioner of Income -Tax (Appeals)-III, Chennai-34, against the order of the Assistant Commissioner of Income Tax, Company Circle-III(2), Chennai-34, dated 21.02.2013, made in PAN/GIR No.AALPS3121P, for the assessment year 2010-11.

For Appellant : Mr.M.Swaminathan
Senior Standing Counsel
For Respondent : Mr.R.Sivaraman

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

We have heard Mr.M.Swaminathan, learned Senior Standing Counsel for the appellant/Revenue and Mr.R.Sivaraman, 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 20.06.2014 made in I.T.A.No.235/Mds/2014 on the file of the Income Tax Appellate Tribunal, Chennai, "A" Bench (for brevity, the Tribunal) for the Assessment Year 2010-11.

WEB COPY

https://hcservices.ecourts.gov.in/hcservices/

3.The appeal was admitted on 10.12.2014 on the following substantial questions of law:

> "1)Whether on the facts and circumstances of the case, the Income Tax Appellate Tribunal was right in holding that the additions made towards notional interest income is to be deleted?
>
> 2.Whether on the facts and circumstances of the case, the Tribunal was right in holding that the disallowance of advance made to Vamana Pictures has to be allowed even though the assessee has not offered any amount of interest as income pertaining to the said advances?
>
> 3.Whether there was any enough material for the Tribunal to come to the conclusion and grant relief to the assessee on the facts that the assessee had never recognized any income on the advances made and the amount itself become bad and irrecoverable and therefore the question of charging interest also does not arise especially when the assessee is following mercantile system of accounting?"

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.

WEB COPY

Sd/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

mkn

https://hcservices.ecourts.gov.in/hcservices/

To

1.The Income Tax Appellate Tribunal, Chennai, “A” Bench

2.The Commissioner of Income Tax,
Chennai.

3.The Commissioner of Income Tax (Appeals)-III, Chennai-34.

4.The Assistant Commissioner of Income Tax, Company Circle-III(2)
Chennai-34.

+1 cc to M/s.M.Swaminathan,Advocate Sr No.18575

T.C.A.No.1016 of 2014
22.03.2021
(2/2)

SSV(CO)
RG.26.04.2021(3P/6C)

सत्यमेव जयते

WEB COPY