IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 19.03.2021

CORAM

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

T.C.A.No.442 of 2014

Commissioner of Income Tax,
Central Circle III,
Chennai. ... Appellant

Vs.

M/s.R V Steels Private Limited,
4/2, Second Street,
B.N.Road, T.Nagar,
Chennai - 600 017. ... Respondent

Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras, "D" Bench, dated 13.09.2013 in I.TA.No.1303/Mds/2013, Assessment Year 2005-06 and against the order dated 20/03/13 made in ITA No.133/11-12 on the file of the CIT(A)-II, Chennai and against the order dated 23/12/2011 made in PA No/GI No.AAACR 2457 B on the file of the (ACIT) Central Circle III (3), Chennai for the Assessment year 2005-06.

For Appellant : Mr.T.Ravikumar
Senior Standing Counsel
For Respondent : Mr.R.Sivaraman

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

We have heard Mr.T.Ravikumar, 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 13.09.2013 made in I.TA.No.1303/Mds/2013 on the file of the Income Tax Appellate Tribunal, Chennai, "D" Bench (for brevity, the Tribunal) for the Assessment Year 2005-06.

3.The appeal was admitted on 05.09.2014 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 correct in presuming that the assessee provided complete names and address of the parties extending cash credits when the Assessing Officer showed that were all non-existent?

2.Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was correct in presuming that the receipts of cash credits were transactions between seller and customer when there was no such evidence like supply of good, confirmation or any other correspondence on record?

3.Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was correct in presuming that the cash credits from M/s.Divya Cements and M/s.Kalinidi Industries were genuine because they were received through brokers and through cheques only despite the fact that they were found to be bogus parties during investigation by the Assessing Officer?"

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(CS VIII)

//True Copy//

Sub Assistant Registrar

MKN

To

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

2.The Commissioner of Income Tax,
Central Circle III,
Chennai.

3.The Commissioner of Income Tax (Appeal II)
Chennai.

4.The Assistant Commissioner of Income Tax,
Central Circle III(3), Chennai.

+1cc to Mr.T.Ravi Kumar, Advocate, S.R.No.17825

T.C.A.No.442 of 2014

AJB(CO)
TE (19/04/2021)