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.7 of 2014

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

Vs.

Shri Jagadish A Sadarangani
16, Velayudham Street,
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 17.04.2013 in I.T.A.No.2267/Mds/2012, Assessment Year 2009-10. Preferred against the order dated 14.06.2012, passed in ITA.No.297/2011-12/A.III, 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 28.12.2011, 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 17.04.2013 made in I.T.A.No.2267/Mds/2012 on the file of the Income Tax Appellate Tribunal, Chennai, "A" Bench (for brevity, the Tribunal) for the Assessment Year 2009-10.

3.The appeal was admitted on 19.11.2014 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?
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> 2.Whether on the facts and circumstances of the case, the Income Tax Appellate Tribunal was right in holding that the disallowance of advance made to Vammanna Picture was to be allowed even though the assessee has not offered any amount of interest as income pertaining to the said advances?
>
> 3.Is not the finding of the Tribunal perverse by holding that the money advanced was a personal courtesy especially when it had no nexus with the business nor any business consideration of the assessee existed?"

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, “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.18576

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