IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATE: 19.02.2021

CORAM:

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

T.C.A.No.83 of 2014

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

Vs.

M/s.TVS Investments Limited,
Jayalakshmi Estate, New No.29 (Old No.8),
Haddows Road, Chennai - 600 006. ... 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 04.04.2013 in I.TA.No.2172/Mds/2010 Assessment Year 2004-05. Appeal filed against te order of the Commissioner of Income Tax(Appeals)-III, Chennai-34 dated 29/09/2010 in ITA.No.644/2006-2007/A-III and against the order of the Income Tax Officer(OSD) Company Circle III(1), Chennai-600 034 dated 07.12.2006 in GIR.No./PAN 32350-T/AAACT1154H for the Assessment year 2004-2005.

For Appellant : Mr.M.Swaminathan,
Senior Standing Counsel
For Respondent : Mr.R.Venkata Narayanan

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.Venkata Narayanan, 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) are directed against the order dated 04.04.2013 made in I.TA.No.2172/Mds/2010 on the file of the Income Tax Appellate Tribunal, Chennai, "C" Bench (for brevity, the Tribunal) for the Assessment Year 2004-05.

3.The appeal was admitted on 08.07.2014 on the following substantial questions of law:

> "1)Whether on facts and in the circumstances of the case, the Appellate Tribunal was right in allowing the assessee's claim of long term capital loss when there was no element of transfer?
>
> 2)Whether on facts and in the circumstances of the case, the Appellate Tribunal was right in not considering the issue of disallowance under Section 14A though the grounds had already been placed before the Appellate Tribunal?"

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 these cases are 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/-
Asst.Registrar (CS VI)

/true copy/
Sub Asst. Registrar

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To

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

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

3.The Income Tax Officer(OSD)
Company Circle-III(1) Chennai-34

+1 cc to M/s.Subbaraya Aiyar Padmanabhan Advocate
sr 10831

+1 cc to Mr.M.Swaminathan Advocate sr10244

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