IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATE: 08.03.2021

CORAM:

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

T.C.A.No.297 of 2014

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

Vs.

M/s.Metropolitan Transport
Corporation (Chennai) Ltd.,
"Pallavan House", Anna Salai,
Chennai – 600 002. ... Respondent/Respondent

Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras, "B" Bench, dated 07.08.2013 in I.TA.No.1169/Mds/2013 Assessment Year 2005-06, and against the order passed by the Commissioner of Income Tax(Appeals)V, Chennai-34, dated 25/02/2013 made in ITA.No.255/2010-11 and against the order passed by the Assistant Commissioner of Income Tax, Company Circle-IV(2), Chennai dt.20/12/2010 made in PAN.No.AAACP1935C Assessment year 2005-06.

For Appellant : Mr.Karthick Ranganathan,
Senior Standing Counsel

For Respondent : Mr.R.Venkata Narayanan
for Mr.Subbaraya Aiyar

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

We have heard Mr.Karthick Ranganathan, 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) is directed against the order dated 07.08.2013 made in I.TA.No.1169/Mds/2013 on the file of the Income Tax Appellate Tribunal, Chennai, "B" Bench (for brevity, the Tribunal) for the Assessment Year 2005-06.

3.The appeal was admitted on 17.07.2014 on the following substantial question of law:

> "Whether the Tribunal erred in not considering the claim of the Department that no deduction could be allowed in respect of provision for Insurance Fund and no fault liability except on the actual amount expended by the assessee on that account?"

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5.In the light of the said submissions, the above Tax Case Appeal is dismissed as withdrawn on account of the Low Tax Effect.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/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

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To

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

2.The Commissioner of Income Tax,
Chennai.

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

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

+1cc to M/s.Subbaraya Aiyar, Advocate SR.14399

T.C.A.No.297 of 2014

CA(CO)
CB(24/03/2021)