IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 19.09.2016

CORAM

THE HON'BLE MR.JUSTICE **NOOTY.RAMAMOHANA RAO**
AND
THE HON'BLE DR.JUSTICE **P.DEVADASS**

Tax Case (Appeal) No.107 of 2008 and 1420 of 2007

The Commissioner of Income Tax,
Central-I,Madras. ... Appellant in TCA 107/2008

Commissioner of Income Tax
Chennai. ... Appellant in TCA 1420/2007

Vs.

Shri. S.A.Sowrirajan ... Respondent in T.C.A.No.107/2008

M/s. Premier Leather
Corporation, No.158/1A,
G.S.T. Road, Vandalur,
Chennai-48. ... Respondent in T.C.A.No.1420/2007

Appeals filed under Sec. 260A of the Income Tax Act, 1961:

T.C.A.No.107/2008 has been filed against the order of the Income Tax Appellate Tribunal 'C' Bench, Chennai, dated 20.07.2007 made in ITA No.150/Mds/2003 for the Block Period 1991-92 to 2000-01 & 2001-02 (part).

T.C.A.No.1420/2007 has been filed against the order of the Income Tax Appellate Tribunal, Madras 'B' Bench, dated 16.02.2007 in ITA No.2211/Mds/2004 for the Assessment year 1988-89.

For Appellant in both TCAs.	:	Mr.T.R.Senthikumar, Standing Counsel
For Respondent in TCA 107/2008	:	Dr.Anita Sumanth
For Respondent in TCA 1420/2007	:	Mr.M.P.Senthilkumar

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(JUDGMENT OF THE COURT WAS DELIVERED
BY **NOOTY.RAMAMOHANA RAO, J.)**

Tax Case Appeal No.107 of 2008 has been admitted by a Division Bench of this Court on 26.02.2008 on the following substantial question of law:

> "Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in law in annulling the block assessment under Section 158-BD, on the ground that the action was not properly initiated, even though section does not require a specific note before issue of notice under Section 158-BD of the Income Tax Act, 1961?"

2. Tax Case Appeal No.1420 of 2007 has been admitted by a Division Bench of this Court on 13.11.2007 on the following substantial question of law:

> "(1) Whether in the facts and circumstances of the case the Tribunal was right in holding that capital gains on distribution of capital assets on dissloution of a firm should be calculated on the book value as against the provisions under Section 45(4)?
>
> (2) Whether in the facts and circumstances of the case, the Tribunal was right in holding that the interest under Section 139(8) is not leviable as originally, assessment was completed under Section 143(1)? "

3. In these two appeals, though substantial questions of law do arise for consideration, however, the value involved in the appeals is far-too insignificant particularly viewed in the backdrop of the circular instructions passed on through Circular No.21/2015, dated 10.12.2015 by the Department. These instructions were also rendered applicable to pending appeals apart from applying to the appeals to be filed henceforth.

4. It is now decided that an appeal shall not be filed in case where tax effect does not exceed Rs.20 lakhs. In the instant case, tax effect is less than the limit of Rs.20 lakhs prescribed in the said circular and hence, these appeals are not pressed rightly by the learned Standing counsel Mr.T.R.Senthilkumar. However, the learned Standing counsel seeks leave to preserve the questions of law raised for adjudication in the appeals for consideration at a later point of time in appropriate cases.

4. Preserving the said liberty, both the appeals stand dismissed as not pressed. No cost.

(N.R.R.J.) **(P.D.S.,J.)**
19.09.2016

Index : Yes.
Internet : Yes.
gr.

NOOTY.RAMAMOHANA RAO,J
and
Dr.P.DEVADASS,J

gr.

T.C.A. No.107 of 2008
and 1420 of 2007

19.09.2016