IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 02.11.2018

CORAM :

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM

and

THE HONOURABLE MRS.JUSTICE V.BHAVANI SUBBAROYAN

Tax Case (Appeal) No.1079 of 2008

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

-vs-

M/s Turbo Energy Ltd.,
67, Chamiers Road,
Chennai-28. ... Respondent

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal Chennai "C" Bench, dated 08.02.2008 in I.T.A.No.978/Mds/2005, for the assessment year 2001-02.

For Appellant : Mr.M.Swaminathan
Senior Standing Counsel

For Respondent : No Appearance

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JUDGMENT

(Judgement of the Court was delivered by T.S.Sivagnanam, J.)

This appeal, by the appellant/Revenue, is directed against the order of the Income Tax Appellate Tribunal Chennai "C" Bench, dated 08.02.2008 in I.T.A.No.978/Mds/2005, for the assessment year 2001-02.

2.Heard Mr.M.Swaminathan, learned Senior Standing Counsel for the Revenue.

3.This Appeal has been admitted on 18.08.2008, on the following substantial question of law:-

> "Whether in the facts and in the circumstances of the case, the Tribunal was right in law in holding that the appeal by the revenue is infructuous on the ground that the giving effect to the order of the CIT(A), was passed by the assessing Officer?"

4.We have perused the order of assessment as well as the order passed by the Commissioner of Income Tax and we find that the tax effect in this appeal is lesser than the threshold limit mentioned in Circular No.3 of 2018, dated 11.07.2018, issued by the Central Board of Direct Taxes, which fixes the monetary limit as Rs.50,00,000/- for the Department to pursue the matter. Furthermore, the Revenue has not been able to point out any distinguishing features, by which the Circular No.3 of 2018, dated 11.07.2018, cannot be applied.

5.Thus, for the above reasons, the Revenue cannot pursue this appeal in view of the low tax effect. Hence, this Tax Case Appeal is dismissed and the substantial question of law, framed for consideration, is left open. No costs. The Revenue is at liberty to seek for restoration of appeal if at a later point of time, it is found that the tax effect is above the threshold limit or to fall under the exceptional clauses mentioned in the Circular.

(T.S.S., J.) (V.B.S., J.)
02.11.2018

abr

To

The Income Tax Appellate Tribunal Chennai "C" Bench.

T.S.Sivagnanam, J.

and

V.Bhavani Subbaroyan, J.

(abr)

T.C.(A).No.1079 of 2008

02.11.2018