IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 24.09.2018

CORAM :

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM
and
THE HONOURABLE MRS.JUSTICE V.BHAVANI SUBBAROYAN

Tax Case Appeal No.1249 of 2008

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

-vs-

Shri.P.Suryanarayana
21, Thirumalaipillai Road,
T.Nagar, Chennai-17 ... Respondent

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal Chennai 'B' Bench, dated 7.3.2008 in ITA No.672/Mds/2003, for the assessment year 1994-95.

For Appellant : Mrs.R.Hemalatha

For Respondent : Mr.S.Subramanian for
Mr.B.Raveendran

JUDGMENT
[Judgement of the Court was delivered by T.S.Sivagnanam, J.]
This appeal by the Revenue is directed against the order passed by the Income Tax Appellate Tribunal, Madras 'B' Bench, dated 7.3.2008 in ITA No.672/Mds/2003, for the assessment year 1994-95.

2.Heard Mrs.R.Hemalatha, learned Counsel for the Revenue and Mr.S.Subramanian for Mr.B.Raveendran, learned Counsel for the Respondent.

3.This Appeal has been admitted on 20.08.2008, on the following Substantial Questions of Law:
"1.Whether in the facts and circumstances of the case, the Tribunal was right in deleting the addition made on account of unexplained investment in the purchase of plot and construction of

residential property, when the property from the sale of which the investment was said to have been made, was much after the purchase of the plot?

2.Whether on the facts and circumstances of the case, the Tribunal was right in holding that the Commissioner of Income-tax (Appeals) is justified in admitting fresh evidence, which is contrary to the Rule laid down in 46A(1)?".

4.We have perused the order of Assessment as well as the Order passed by the Commissioner of Income Tax, under Section 263 of the Income Tax Act, 1961 and we find that the tax effect in this appeal is lesser than the threshold limit mentioned in Circular No.3 of 2008, 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, the Appeal is dismissed and the Substantial Questions of Law, framed for consideration, are left open. No costs.

[T.S.S., J.] & [V.B.S., J.]
24.09.2018

msk

T.S.Sivagnanam, J.

and

V.Bhavani Subbaroyan, J.

msk

To

1.The Income Tax Appellate Tribunal Madras 'B' Bench.

T.C.A.No.1249 of 2008

24.09.2018