IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 26.09.2018

CORAM :

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

Tax Case Appeal No.1521 of 2008

The Commissioner of Income Tax-X,
Chennai. ... Appellant
-vs-

Shri R.Veeramani
58,Cathedra Road,
Chennai-600 086 ... 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 29.03.2005 in ITA No.293/Mds/1998, for the Assessment year 1992-93.

For Appellant : Mr.M.Swaminathan and
Mrs.V.Pushpa

For Respondent : Mr.M.P.Senthilkumar

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 dated 29.03.2005 in ITA No.293/Mds/1998, for the Assessment year 1992-93.

2.Heard Mr.M.Swaminathan, learned Counsel for the Revenue and Mr.M.P.Senthilkumar, learned Counsel for the Respondent.

3.This Appeal has been admitted on 08.12.2008, 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 holding that the assessing officer was not justified in including the value of closing stock of

waste granite blocks even though such stock had been disclosed to the Central Excise authorities and the waste blocks were being utilised in the manufacturing process?

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 Question of Law, framed for consideration, is left open. No costs.

[T.S.S., J.] & [V.B.S., J.]
26.09.2018
msk

To

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

T.S.Sivagnanam, J.
and
V.Bhavani Subbaroyan, J.

msk

T.C.A.No.1521 of 2008

26.09.2018