IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 11.10.2018

CORAM :

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

Tax Case Appeal No.1792 of 2008

The Commissioner of Income Tax-IV(Exemptions),
Chennai-34. ... Appellant

-vs-

Govindu Naicker's Estate,
Pachaiyappa's College Campus,
Chennai-30 ... Respondent

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal Chennai 'A' Bench, dated 16.11.2007 in ITA No.1430/Mds/2006, for the Assessment year 2002-03.

For Appellant : Mr.S.Rajesh

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 'A' Bench, dated dated 16.11.2007 in ITA No.1430/Mds/2006, for the Assessment year 2002-03.

*2.*Heard Mr.S.Rajesh, learned Counsel for the Revenue.

3.This Appeal has been admitted on 18.11.2008, on the following Substantial Question of Law:

> *"Whether on the facts and circumstances of the case, the Tribunal was right in holding that the assessee had clearly stated the purpose for which the funds had been accumulated and accordingly the assessee is eligible for accumulation and carry forward of income as per Section 11(2) when the assessee had neither given any particulars regarding the steps taken towards fulfilment of the objects of the trust nor the break up of the proposed expenditure towards the purpose of accumulation of income?"*

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 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.]

msk **11.10.2018**

To

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

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

msk

T.C.A.No.1792 of 2008

11.10.2018