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.1899 of 2008

The Commissioner of Income Tax,
Trichy ... Appellant

-vs-

Shri N.Saidalavi ... 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 18.11.2005 in IT(SS)A No.156/Mds/1997, for the block Assessment years 1987-88 to 1997-98.

For Appellant : Mrs.K.G.Usha Rani

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 'C' Bench, dated dated 18.11.2005 in IT(SS)A No.156/Mds/1997, for the block Assessment years 1987-88 to 1997-98.

*2.*Heard Mrs.K.G.Usha Rani, learned Counsel for the Appellant/Revenue and Mr.M.P.Senthilkumar, learned counsel for the respondent/assessee.

3.This Appeal has been admitted on 13.04.2009, on the following Substantial Questions of Law:

> *"1.Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in law in reducing the addition by way of unexplained investment made in the block assessment in respect of the construction of the house property at Ibrahim Nagar from Rs.4,75,000/- to Rs.3,75,000/-?*

2.Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in law in reducing the addition on account of unexplained investment in the cost of construction of the shopping complex at T.V.S.Tolgate Bye-Pass Road from Rs.12,00,000/- to Rs.5,00,000/-?

3.Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in deleting the addition of Rs.4,00,000/- towards drawings for family expenses made under Section 69C of the I.T.Act in spite of the fact that the addition had been made o the basis of the statement recorded u/s.132(4) on the date of search?"

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 'C' Bench.

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

msk

T.C.A.No.1899 of 2008

11.10.2018