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.1902 of 2008
&
M.P.No. 1 of 2018

Commissioner of Income Tax,
Cent II(1), Chennai.

... Appellant

-vs-

Shri P.R.Ganapathy,
38 First Street, Secretariat Colony,
Chennai – 600 010.

... 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 07.12.2007 in ITA No.2056/Mds/2006, for the Assessment year 2001-02, against the Commissioner of Income Tax(Appells)-II, chennai, dated 31/07/2006 in Appeal No.(IT(A)/ CHE/07/04-05 for the Assessment year 2001-02, and against the order of the Deputy Commissioner of Income-Tax, Central Circle II(1), Chennai-34, dated 20/02/2004 in P.A.NO./GIR.NO.706-G/AALPG 4414F for the Assessment year 2001-02.

For Appellant : Mr.M.Swaminathan
For respondent : Mr.G.Gopalasamy for
G.Saravana Kumar

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, Chennai 'B' Bench, dated 07.12.2007 in ITA No.2056/Mds/2006, for the Assessment year 2001-02.

2.Heard Mr.M.Swaminathan, learned Counsel for the Revenue and V.Gopalsamy for G.Saravana Kumar counsel for the respondent.

3.This appeal was admitted on 27.11.2008 and the following Substantial Question of Law has been raised in the Tax Case Appeal:

> "1. Whether on the facts and circumstances of the case, the Tribunal was right in holding that interest from Nahar group of companies cannot be assessed to tax in the relevant assessment year as it had not yet been received by the assessee, even though such interest had accrued to him?"

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. Consequently the connected Miscellaneous Petition is closed. No costs.

Sd/-
Assistant Registrar(CS II)

//True Copy//

Sub Assistant Registrar

To

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

2.The Commissioner of Income-Tax(Appeals-II, Chennai.

3.The Deputy Commissioner of Income-Tax,
Central Circle II(1), Chennai-34.

4.The Assistant Registrar,
Income Tax Appellate Tribunal,
3rd floor, Rajaji Bhavan,
Besant Nagar, Chennai-90.

+1cc to Mr.M.Swaminathan, Advocate sr.no.70612

T.C.A.No.1902 of 2008

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nr 28/11/2018