IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 09.11.2018

CORAM :

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM
and
THE HONOURABLE MR. JUSTICE N.SATHISHKUMAR

Tax Case Appeal No.165 of 2009

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

-vs-

M/s.Chettinad Stud & Agricultural Farm,
'Chettinad House' R.A.Puram, Chennai. ...Respondent

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal Madras 'A' Bench, dated 06.06.2008 in ITA No.2293/Mds/2007, for the Assessment year 1998-99 Appeal against the order of the commissioner of Income Tax (Appeals) vi,121,Mahatma Gandhi road, Chennai 34 in ITA NO.4/2006-07 dated 15.06.2007 in PAN GINO.AAAFC4079R for the year of 1998-1999 against the Joint commissioner of income tax (OSa)Circle I, Chennai 34 in PA/GI MO 02133GC for the Assessment year 1998-1999.

For Appellant : Mr.Karthik Ranganathan

For Respondent : Mr.A.S.Sriraman

JUDGMENT

[Judgement of the Court was delivered by T.S.Sivagnanam, J.]

This appeal by the appellant/Revenue is directed against the order of the Income Tax Appellate Tribunal Madras 'A' Bench, dated 06.06.2008 in ITA No.2293/Mds/2007, for the Assessment year 1998-99.

2.Heard Mr.Karthik Ranganathan, learned Counsel for the appellant/Revenue and Mr.A.S.Sriraman, learned Counsel for the Respondent/assessee.

3.This Appeal has been admitted on 16.03.2009, on the following Substantial Questions of Law:

> "(i)Whether on the facts and circumstances of the case, the Tribunal was right in law in holding that the re-assessment could not be validly initiated on the basis of information from the Department of Revenue Intelligence regarding customs under valuation?
>
> (ii)Whether, on the facts and circumstances of the case, the Tribunal was right in holding that the re-assessment is not valid, when it was done on the basis of the order of the Customs and Excise Settlement Commission before which the assessee has made a full and true disclosure of the amount? "

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 2018, 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. The Revenue is at liberty to seek for restoration of appeal if at a later point of time, it is found that the tax effect is above the threshold limit or to fall under the exceptional clauses mentioned in the Circular.

Sd/-

Assistant Registrar(CS)

//True Copy//

Sub Assistant Registrar

mrm

To

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

2.The commissioner of Income Tax(Appeals) vi,121,Mahatma Gandhi road, Chennai 34

3.The Joint commissioner of income tax (OSA)Circle I, Chennai 34

+1cc to Mr.A.S.Sriraman, Advocate SR.No. 77085

T.C.A.No.165 of 2009

ASK(04/12/2018)