IN THE HIGH COURT OF JUDICATURE AT MADRAS
DATED : 28.11.2018

CORAM :
THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM
and
THE HONOURABLE MR.JUSTICE N.SATHISH KUMAR

Tax Case Appeal No.175 of 2011

The Commissioner of Income Tax,
Circle XIV, Chennai. .... Appellant

-vs-

Sri.A.G.Ulaganathan,
48, Pulla Avenue 2nd Street,
Shenay Nagar, Chennai - 34. ... Respondent

Tax Case Appeal filed under Section 260A of the Income Tax Act,1961 (for brevity 'the Act') against the order of the Income Tax Appellate Tribunal Chennai 'D' Bench, dated 27.10.2010 in I.T.A.No. 692/Mds/10, for the Assessment year 1997-98 against the order dated 31.03.2010 made in C.No.10113/8/CIT-X/2009-10 by the Commissioner of Income Tax, Chennai-X, Chennai against the order made in PAN No. AABPU1260B/AY97-98 dated 21.09.07 by the Assistant Commissioner of Income Tax, Circle XIV, Nungambakkam, Chennai-34.

For Appellant : M/s.V.Pushpa

For Respondent : Mr.M.P.Senthil Kumar

JUDGMENT

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

This Tax Case Appeal by the Revenue is filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal Chennai 'D' Bench, dated 27.10.2010 in ITA No.692/Mds/10, for the Assessment year 1997-98.

2.Heard Mrs.V.Pusha, learned Counsel for the appellant/Revenue and Mr.M.P.Senthil Kumar, learned Counsel for the Respondent/assessee.

3.This Appeal has been admitted on 07.06.2011, on the following Substantial Question of Law:

"Whether in the facts and circumstances of the case, the Income Tax Appellate Tribunal was right in not considering that the Assessing

Officer has exceeded the scope off his power of rectification under Section 154 of the Income Tax Act?"

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 Questions of Law, framed for consideration, are 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.

Sd/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

mrm

To

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

2.The Commissioner of Income Tax,

3.The Assistant Commissioner of Income Tax,
Circle -XIV, Chennai.

+1cc to Mr.M.Swaminathan, Advocate, S.R.No.81321
+1cc to Mr.Philip George, Advocate, S.R.No.81253

T.C.A.No.175 of 2011

RGN(CO)

rrs 31/01/2019