IN THE HIGH COURT OF JUDICATURE AT MADRAS
DATED : 05.12.2018

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

Tax Case Appeal Nos.260, 276 & 277 of 2011

Commissioner of Income Tax - I,
Chennai. ...Appellant in all the appeals

-vs-

Dr.C.Natesan,
Prop:Bharathiraja Hospital & Research
Centre, No.11, Madley Road, T.Nagar,
Chennai - 600 017.
...Respondent in all the appeals

Tax Case Appeals filed under Section 260A of the Income Tax Act, 1961 against the common order of the Income Tax Appellate Tribunal 'B' Bench, Chennai, dated 10.12.2010 passed in ITA Nos.2173 to 2175/Mds/2008, for the assessment years 1999-2000, 2000-01, 2001-02 respectively.

For Appellant : Mr.T.Ravi Kumar
(in all the appeals)

For Respondent : Mr.A.S.Sriram for Mr.S.Sridhar
(in all the appeals)

JUDGMENT

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

These Tax Case Appeals filed under Section 260A of the Income Tax Act, 1961 against the common order of the Income Tax Appellate Tribunal 'B' Bench, Chennai, dated 10.12.2010 passed in ITA Nos.2173 to 2175/Mds/2008, for the assessment years 1999-2000, 2000-01, 2001-02 respectively against the order dated 23/07/2008 and made in ITA Nos. 237 to 239/ 2006 on the file of the Commissioner of Income Tax (Appeals)-VI, Chennai and against the order dated 28/12/06 and made in GIR No/PAN AAAPN745813 on the file of Income Tax Officer, Business ward - I(4), Chennai.

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2.Heard M/s.T.Ravi Kumar, learned Counsel for the Revenue and Mr.A.S.Sriram, learned Counsel for the assessee.

3.These Appeals have been raised on the following Substantial Questions of Law:

Assessment years 1999-2000, 2000-01 and 2001-02

> "(i)Whether on the facts and circumstances of the case, the Income Tax Appellate Tribunal was right in holding that the Assessing Officer could not made any additions to the returned income even though the assessee failed to produce the Books of Account inspite of several opportunities given on the grounds that the assessee had filed Tax Audit Reports in Forms 3CD and 3CB?
>
> (ii)Whether on the facts and circumstances of the case, the Income Tax Appellate Tribunal was right in omitting to consider the individual Grounds of Appeal raised for the assessment year separately, in the process of passing a consolidated order?

Assessment Years 2000-01 and 2001-02

> (iii)Whether on the facts and circumstances of the case, the Income Tax Appellate Tribunal was right in holding that the assessee could file revised returns after filing the returns in compliances to notices u/Sec.148 even though such revised returns could not be considered as valid returns within the meaning given u/Sec.139(5)?

Assessment year 2000-01

> (iv)Whether on the facts and circumstances of the case, the Income Tax Appellate Tribunal was right in not considering the specific grounds of appeal made by the Revenue to the effect that the revised returns claiming deductions not claimed in the original returns were invalid?

Assessment year 2001-02

> (v)Whether on the facts and circumstances of the case, the Income Tax Appellate Tribunal was right in not considering the specific ground of appeal raised by the Revenue stating that the assessee's appeal before the

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Commissioner of Income Tax (Appeals) was time barred and the Commissioner of Income Tax (Appeals) had not considered this aspect at all?”

4.We have perused the common order of Assessment as well as the Common Order passed by the Commissioner of Income Tax and we find that the tax effect in these appeals are 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 these Appeals in view of the low tax effect. Hence, these Appeals are 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(CO)

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Sub Assistant Registrar

mrm/abr

To

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

2.The Commissioner of Income Tax-I,
Chennai.

3.The Commissioner of Income Tax (Appeals) VI,
Chennai.

4.The Income Tax Officer, Business Ward I (4),
Chennai.

+1cc to Mr.M.Swaminathan, Advocate, S.R.No.83439

T.C.A.No.260, 276 & 277 of 2011

VD(CO)

rrs 27/12/2018

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