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 No.465 of 2011

The Commissioner of Income Tax-II,
Tiruchirapalli. ...Appellant

-vs-

M/s.Tamil Nadu State Transport,
Corporation (Kum-Div-I) Ltd.,
Railway Station New Road,
Kumbakonam – 612 001. ...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 04.05.2011 in ITA No.1993/Mds/2009, for the Assessment year 1994-95 as against the order of the Commissioner of Income Tax (Appeals), Tiruchirappalli made in ITA No.51/99-00, dated 20.10.2009 as against the order of the Joint Commissioner of Income Tax, Special Range, Tiruchirappalli for the Assessment year 1994-95 dated 17.02.2000.

For Appellant : Mrs.R.Hemalatha
Senior Standing Counsel

For Respondent : Mr.A.S.Sriraman for M/s.S.Sridhar

JUDGMENT

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

This Tax Case Appeal is filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal Chennai 'B' Bench, dated 04.05.2011 in ITA No.1993/Mds/2009, for the Assessment year 1994-95.

2.Heard Mrs.R.Hemalatha, learned Senior Standing Counsel for the Revenue and Mr.A.S.Sriraman, learned Counsel for the assessee.

3.This Appeal has been admitted on 14.11.2011, on the following Substantial Question of Law:

> "Whether on the facts and circumstances of the case, the Income Tax Appellate Tribunal was right in holding that a provision for 'no fault liability claims against the assessee' could be allowed even if it was as per the Government's directions, in the absence of any specific provision in the Act to allow deduction in respect of such provisions and such claim payments could be allowed only on the basis of actual payments?”

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.

Sd/-
Assistant Registrar(CO)

//True Copy//

mrm/abr

Sub Assistant Registrar

To

1) Income Tax Appellate Tribunal
Chennai 'B' Bench

2) The Commissioner of Income Tax (Appeals),
Trichirappalli.

3) The Joint Commissioner of Income Tax,
Special Range, Trichirappalli.

+1 cc to M/s.T.Ravi Kumar, Advocate, SR No.83861

CNR(CO)
SSM(04/01/2019)

T.C.A.No.465 of 2011