IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 14.09.2018

CORAM

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM
and
THE HONOURABLE MRS.JUSTICE V.BHAVANI SUBBAROYAN

Tax Case Appeal No.1085 of 2008

Commissioner of Income Tax
Chennai ... Appellant

-vs-

M/s.Vel Shree Rangarajan
Dr.Sagunthala Rangarajan
Educational Academy
"Shanthi Sudha",
New No.38, Old No.24,
ABM Avenue, R.A.Puram
Chennai - 600 028. ... Respondent

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order, dated 25.01.2008 passed in I.T.A. No.642/Mds/2007 on the file of the Income Tax Appellate Tribunal, 'C' Bench, Chennai, for the Assessment Year 2003-04.

For Appellant : Mr. S.Rajesh,
Senior Standing Counsel

For Respondent : M/s.Sri Lakshmi Valli

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JUDGMENT

[Delivered by T.S.Sivagnanam, J.]

Heard Mr. S.Rajesh, learned Senior Standing Counsel for the appellant, and M/s.Sri Lakshmi Valli, learned counsel for the respondent.

2.This appeal has been admitted on the following substantial question of law:-
"Whether on the facts and circumstances of the case, the Tribunal was right in holding that the development fees collected by the assessee (which is not a charitable trust) from its students is a capital receipt not liable to tax?".

3.Before we proceed to consider the substantial question of law raised in this appeal, we have to first take note of the fact that the tax effect in the present appeal relevant for the assessment year

2003-04 is less than the threshold limit.

4.In the case of Commissioner of Income Tax vs. N.Meenakshisundaram [Tax Case (Appeal) Nos.868 and 869 of 2008; Dated 23.04.2018], one of us (TSSJ) had an occasion to consider various circulars issued by the Central Board of Direct Taxes (CBDT) as regards the threshold limits fixed for filing the appeals by the Revenue or pursue the appeals, which are pending from 2008 onwards.

5.Further, it is relevant to note that by Circular No.3/2018, dated 11.07.2018, monetary limit has further been increased and appeals be maintainable before the High Courts. It has been increased to Rs.50,00,000/-. Hence, viewed from any angle, this appeal could not have been pursued.

6.Thus, by applying the above Circular issued by the CBDT, this appeal ought not to have been pursued by the Revenue and hence, for that reason only, this tax case appeal is dismissed and the substantial question of law, framed for consideration, are left open. No costs.

[T.S.S., J.] [V.B.S., J.]

14.09.2018

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T.S.Sivagnanam, J.
and
V.Bhavani Subbaroyan, J.

(gbi)

To

The Income-tax Appellate Tribunal,
Madras C Bench,
Chennai.

T.C.(A) No.1085 of 2008

14.09.2018