IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 18.09.2018

CORAM :

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

Tax Case Appeal Nos.1330 & 1331 of 2008

The Commissioner of Income Tax-I,
Tiruchirapalli. ... Appellant in
both the Appeals
-vs-

M/s.Gopaldas Dwarkadass
Family Trust Estate,
145, North Chitrai Street,
Srirangam,
Tiruchirapalli ... Respondent in
both the Appeals

Tax Case Appeals filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal Chennai 'C' Bench, dated 09.11.2004 in ITA Nos.1269/Mds/1997 1270/Mds/1997, for the Assessment years 1990-91 and 1991-92, respectively.

For Appellant : Mrs.R.Hemalatha

For Respondent : Mrs.Srilakshmivalli

COMMON JUDGMENT

[Judgement of the Court was delivered by T.S.Sivagnanam, J.]
These appeals by the Revenue are directed against the order passed by the Income Tax Appellate Tribunal, Madras 'C' Bench, dated 09.11.2004 in ITA Nos.1269/Mds/1997 and 1270/Mds/1997, for the Assessment years 1990-91 and 1991-92, respectively.

2.Heard Mrs.R.Hemalatha, learned Standing Counsel for the Revenue and Mrs.Srilakshmi, learned Counsel for the Respondent.

3.These Appeal have been admitted on 13.10.2008, 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 the order of the Commissioner of Income Tax under Section 263 of the Income Tax Act

passed for the assessment years in question was barred by limitation on the ground that the Assessing Officer had dropped the reassessment proceedings and, therefore, the period of limitation had to be reckoned from the date of the original assessment order without noticing that the Assessing Officer has not merely Dropped the reassessment proceedings but has passed an order under Section 143(3) relating to the reassessment which was erroneous and prejudicial to the interest of the Revenue?

4.We have perused the orders of Assessment as well as the Order passed by the Commissioner of Income Tax, under Section 263 of the Income Tax Act, 1961 and we find that the tax effect in these appeals is lesser than the threshold limit mentioned in Circular No.3 of 2008, 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, the Appeals are dismissed and the Substantial Question of Law, framed for consideration, is left open. No costs.

[T.S.S., J.] & [V.B.S., J.]
18.09.2018

msk

To

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

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

msk

T.C.A.Nos.1330 & 1331 of 2008

18.09.2018