IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 18.3.2019

CORAM

THE HON'BLE DR.JUSTICE VINEET KOTHARI
AND
THE HON'BLE MR.JUSTICE C.V.KARTHIKEYAN

Tax Case Appeal No.631 of 2009

Commissioner of Income Tax
Chennai. .... Appellant /Appellant

Vs.

M/s.Kumudham Publications
New No.306, Purasawalkam High Road,
Chennai 600 010.
PAN: AAACK2957P .... Respondent/Respondent

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, Madras 'B' Bench, Chennai, dated 23.1.2009 made in ITA No.1625/Mds/2007, against the order passed by the Commissioner of Income Tax (Appeal)-III Chennai 600 034 dated 22/3/2007 made in ITA No.95/2006-07/A-III for the Assessment Year 2003-04 and against the order passed by the Assistant Commissioner of Income Tax Company Circle 11 (3), Chennai-34 dated 10/03/2006 made in G.I.No/P.A No.AAACK2957P for the Assessment Year 2003-04.

For Appellant : Mr.Karthik Ranganathan
Senior Standing Counsel

For respondent : Mr.M.P.Senthilkumar

J U D G M E N T

(Delivered by DR.VINEET KOTHARI,J)

This Tax Case Appeal has been filed by the Revenue calling in question the correctness of the order passed by the Income Tax Appellate Tribunal, 'B' Bench, Chennai, dated 23.1.2009 made in ITA No.1625/Mds/2007, by raising the following substantial question of law:

"i) Whether, in the facts and circumstances of the case, the Tribunal was right in holding that the margin money not claimed as cost in the earlier year, may be allowed as a bad debt in the year when the mistake was discovered? "

2. When the matter is taken up for admission, the learned Standing Counsel brought to our notice the Circular instruction issued by the Central Board of Direct Taxes vide Circular No.3/2018 dated 11.7.2018 wherein it is stipulated that appeals shall not be filed/pursued by the Department before the High Court in cases where the tax effect does not exceed Rs.50 lakhs.

3. In the instant case, the tax effect is said to be less than the monetary limit imposed and therefore, the appeal filed by the Revenue is dismissed as not pressed, keeping open the substantial question of law for determination in an appropriate case.

Sd/-
Assistant Registrar(CS V)

//True Copy//

Sub Assistant Registrar

ssk.

To

1. The Commissioner of Income Tax Appeals-III,
   Chennai-34.

2. Income Tax Appellate Tribunal,
   Madras 'B' Bench, Chennai

3. The Assistant Commissioner of
   Income Tax,
   Company Circle II (3) Chennai-34.

+1cc to Mr.N.Muthukumar, Advocate Sr.25562

TCA No.631 of 2009

sr[co]
srg 29/04/2019