In the High Court of Judicature at Madras

Dated : 19.8.2019

Coram :

The Honourable Mr.Justice T.S.SIVAGNANAM
and
The Honourable Mrs.Justice V.BHAVANI SUBBAROYAN

Tax Case Appeal Nos.589, 590 and 592 of 2010

The Commissioner of Income Tax,
Central-III, Chennai ...Appellant/Respondent in all the TCAs

Vs.

Shri.Rangroopchand Chordia (HUF) ...Respondent/Appellant in TCA.589/2010

Shri.Tejraj Chordia (HUF) rep.by
legal heir Loonchand Chordia ...Respondent/Appellant in TCA.590/2010

Smt.Shoba Devi ...Respondent/Appellant in TCA.592/2010

APPEALS under Section 260A of the Income Tax Act, 1961 against the common order dated 21.8.2009 made in IT(SS)A.Nos.14, 15 and 19/Mds/ 2009 on the file of the Income Tax Appellate Tribunal, Chennai 'B' Bench for the block period 01.4.1991 to 31.3.2000, against the order of the Commissioner of Income Tax (Appeals)-II, Chennai -34 dated 27/02/2009 in ITA.No.162/05-06 against the Assessment order, of the Deputy Commissioner of Income Tax, Central Circle III(3), dated 21/11/2005, in PANo/G-I No.202-R, against the order of the Commissioner of Income Tax (Appeals)-II, Chennai -34, dated 27/02/2009 in ITA.No.164/05-06 against the Assessment order of the Deputy Commissioner of Income Tax Central Circle III(3), Chennai dated 21/11/2005 in PA G.No./G.I.No.201-T against the order of the Commissioner of Income Tax(Appeals)-II, Chennai -34, dated 27/02/2009 in ITA.No.170/05-06 against the Assessment order of the Deputy Commissioner of Income Tax, Central Circle III(3), Chennai, dated 21/11/2005 in PA.No./G.I.No.706-S for the Assessment year - block period ending 07.06.2000 respectively.

For Appellant : Mr.T.R.Senthilkumar, SSC assisted by Ms.K.G.Usharani, SC

COMMON JUDGMENT
(Judgment was delivered by T.S.Sivagnanam,J)

We have heard Mr.T.R.Senthilkumar, learned Senior Standing Counsel assisted by Ms.K.G.Usharani, learned Standing Counsel appearing for the appellant - Revenue.

2. These appeals, filed by the Revenue under Section 260A of the Income Tax Act, 1961, are directed against the common order dated 21.8.2009 made in IT(SS)A.Nos.14, 15 and 19/Mds/ 2009 on the file of the Income Tax Appellate Tribunal, Chennai 'B' Bench for the block period 01.4.1991 to 31.3.2000.

3. The appeals were admitted on 02.8.2010 on the following substantial questions of law :

> "i. Whether, on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in holding that the question regarding the genuineness of cash credit entries recorded in the books could form the subject matter only of regular assessment and not the block assessment when the assessee's brother in law Shri.Roopchand Jain had voluntarily admitted in his statement recorded on oath during the course of search that the impugned cash credits were bogus ?
>
> ii. Whether the Tribunal was right in holding that the cash credits appearing in the names of various creditors could not be treated as 'undisclosed income' and could be considered only in regular assessments by ignoring the amended provision of Sub-Section (2) of Section 158BB of the Act ? And
>
> iii. Whether the Tribunal was right in holding that in view of the provisions of Section 158BB(2), Sections 68 to 69D would apply to block assessment as well and therefore, the Assessing Officer was justified in treating the total credits of Rs.7,24,075/- in the names of Rajkamal Motors and Shri.M.A.Sharma as bogus in accordance with the admission of

Shri.Rangroopchand Chordia after giving adequate opportunity to the assessee to prove the genuineness of the credits ?"

4. The learned Senior Standing Counsel for the appellant submits that the above appeals are not pursued by the Revenue on account of the low tax effect in terms of Circular No.17/2019 dated 08.8.2019 issued by the Central Board of Direct Taxes. By the said Circular, the monetary limit for filing or pursuing an appeal before the High Court has been increased to Rs.1 Crore. It is further submitted that the tax effect in the respective cases is less than the threshold limit.

5. In the light of the said submissions, the above tax case appeals are dismissed on account of the low tax effect. The substantial questions of law framed are left open. In the event the tax effect in the respective cases is above the threshold limit fixed in the said circular, liberty is granted to the Revenue to make a mention to this Court to restore the appeals to be heard and decided on merits.

Sd/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

To

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

2.The Commissioner of Income Tax (Appeals)-II,
46, Mahatma Gandhi Road, Nungambakkam.

3.The Deputy Commissioner of Income Tax,
Central Circle III(3), Chennai.

+1 cc to Mr.T.R.Senthil Kumar,
Senior Standing Counsel Income Tax, Sr.No.70469

AKM/24.10.19/3P-5C /

TCA.Nos.589, 590 & 592 of 2010