IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 08.03.2019

CORAM

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

Tax Case Appeal No. 886 of 2010

Commissioner of Income Tax - I
Chennai. Appellant /Respondent

Vs.

M/s. Indev Intime Air Cargo,
Services Pvt.Ltd.,
No.25, VGP Murphy Square,
II Cross Street,
St.Thomas Mount, Chennai Respondent/Appellant

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, Chennai 'A' Bench, dated 26.03.2010 made in I.T(SS).A No.174/Mds./2002. Against the order of the Commissioner of Income Tax Appeals -XI, Chenai dated 25/10/2002 made in ITA.No. 123/2001-02 for Assesment year 1998-99 (Block Asst) against the Order of the Deputy Commissioner of Income Tax Circle VI, Chennai dated 30/08/2001 made in PAN/G.I.R.No. 1-I/AAA CI 1519.4 for Assesment year Blcok Assessment for the Block Period ended 10/08/99.

For Appellant : Mr.Karthik Renganathan,
Standing Counsel

For Respondent : A.S.Sriraman
for Mr.S.Sridhar

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, Chennai 'A' Bench, dated 26.03.2010, made in I.T(SS).A.No.174/Mds/2002 by raising the following substantial questions of law:

"1.Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in deleting the addition of Rs.28,25,000 being the bogus cash commission admitted to be the income of the company by the Managing Director in his statement, on the basis of the loose sheets seized from the premises of the assessee company, which were in the handwriting of the Managing Director?

2. Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in deleting the addition of the undisclosed commission on the basis of the claim of a Co-director that his share in the said income had been included in his return without appreciating that the primary recipient of the income was the assessee company?"

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 questions of law for determination in an appropriate case.

Sd/-
Assistant Registrar (CS-III)

//True Copy//

Sub Assistant Registrar

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To

1.Income Tax Appellate Tribunal,
'A' Bench, Chennai.

2.The Commissioner of Income Tax-I,
Chennai.

3.The Commissioner of Income Tax Appeals XI,
Chennai.

4.The Deputy Commissioner of Income Tax Circle VI,
Chennai.

TCA No.886 of 2010

LN(CO)
GN(01/04/2019)