In the High Court of Judicature at Madras

Dated : 20.8.2019

Coram :

The Honourable Mr.Justice T.S.SIVAGNANAM

and

The Honourable Mrs.Justice V.BHAVANI SUBBAROYAN

Tax Case Appeal No.291 of 2011

Commissioner of Income Tax, Salem ...Appellant/Respondent

Vs

Shri.S.Kathirvel ...Respondent/Appellant

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 13.8.2010 made in ITA.No.1257/Mds/2009 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench for the assessment year 2001-02, against the order made in ITA No.174/07-08 by the Commissioner of Income Tax(Appeals), Salem against the Assessment order dated 20.12.2007 made in GIR/PAN No.CCPK.020/AEKPK7395H for the Assessment year 2001-02.

For Appellant :Mr.M.Swaminathan, SSC assisted by Ms.V.Pushpa and Ms.S.Premalatha, SC

For Respondent:Mr.A.S.Sriraman

JUDGMENT

Judgment was delivered by T.S.Sivagnanam,J

We have heard Mr.M.Swaminathan, learned Senior Standing Counsel assisted by Ms.V.Pushpa and Ms.S.Premalatha, learned Standing Counsel appearing for the appellant - Revenue and Mr.A.S.Sriraman, learned counsel appearing for the respondent - assessee.

2. This appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 is directed against the order dated 13.8.2010 made in ITA.No. 1257/Mds/2009 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench for the assessment year 2001-02.

3. The appeal was admitted on 14.9.2011 on the following substantial question of law :

> "Whether, on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in deleting the addition of Rs.2,02,600/- made on account of unexplained gifts credited in the assessee's capital account on the ground that the addition did not relate to any intimating evidence found during the search, ignoring the fact that the Assessing Officer had validly assumed jurisdiction under Section 153C ?"

4. The learned Senior Standing Counsel for the appellant submits that the above appeal is 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 this case is less than the threshold limit.

5. In the light of the said submissions, the above tax case appeal is dismissed on account of the low tax effect. The substantial question of law framed is left open. In the event the tax effect 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 appeal to be heard and decided on merits. No costs.

Sd/-
Assistant Registrar

//True Copy//
Sub Assistant Registrar

RS

To

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

2.The Commissioner of Income Tax(Appeals)
No.3, Gandhi Road, Salem-636 007.

3.The Deputy Commissioner of Income Tax
Central Circle,
No.3, Gandhi Road, Salem-636 007.

+1cc to M/S.M.Swaminathan, Advocate SR.70576
+1cc to Mr.S.Sridhar, Advocate SR.70614

PVS(CO)
CB(04/11/2019)