IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 28.1.2019

CORAM :

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM
AND
THE HONOURABLE MR.JUSTICE N.SATHISH KUMAR

Tax Case Appeal No.503 of 2011

Commissioner of Income Tax-I,
Tiruchirapalli ...Appellant

Vs

Smt.U.Srilakshmi ...Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 30.5.2011 in ITA No.15/Mds/2010 on the file of the Income Tax Appellate Tribunal Chennai 'A' Bench for the assessment year 2006-07 against the order of the Commissioner of Income Tax (Appeals), Tiruchirapalli,dated 29.11.2009 made in ITA No.247/08-09 against the order passed by the Deputy Commissioner of Income Tax, Company Circle II, Trichy dated 26.12.2008 made in PA.No/GIR No.AAFPU4705R.

For Appellant : Ms.V.Pushpa, JSC

For Respondent : Mr.A.S.Sriraman

Judgment was delivered by T.S.SIVAGNANAM,J

Heard the learned Junior Standing Counsel for the appellant.

2. This appeal by the Revenue challenges the order passed by the Income Tax Appellate Tribunal, which decided the issue in favour of the assessee. The appeal was admitted on 03.1.2012 on the following substantial question of law :

> "Whether, on the facts and circumstances of the case, the Income Tax Appellate Tribunal was right in deleting the addition under Section 40A(3) of the Income Tax Act on the ground that no single payment exceeded the prescribed limit of Rs.20,000/- even though the Assessing Officer had established that the payment to the same

person had been split artificially and shown in the names of fictitious persons ?"

3. The Revenue seeks to withdraw this appeal on account of low tax effect in terms of Circular No.3 of 2018 dated 11.7.2018 issued by the Central Board of Direct Taxes.

4. In the light of the above, the appeal is dismissed as withdrawn and the substantial question of law framed is left open.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 under exceptional clauses mentioned in the 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

To
1.The Income Tax Appellate Tribunal,
Madras 'A' Bench.

2.The Commissioner of Income Tax-I,
Tiruchirapalli

3.The Commissioner of Income Tax(Appeals),
Tiruchirapalli

4.The Deputy Commissioner of Income Tax,
Company Circle-II,
Tiruchirapalli

+1cc to M/s. V.Pushpa, Advocate, S.R.No.6360
+1cc to Mr.M.Swaminathan, Advocate, S.R.No.6610
+1cc to Mr.S.Sridhar, Advocate, S.R.No.6891

TCA.No.503 of 2011

pm(CO)
kak(07/03/2019)