IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 26.08.2019

CORAM

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM
and
THE HONOURABLE MRS.JUSTICE V.BHAVANI SUBBAROYAN

Tax Case Appeal No.664 of 2011

The Commissioner of Income-tax-II,
Coimbatore. .. Appellant

-vs-

Smt.R.Selvi,
24, Park Road, Erode-638 001.
(GIR No.13PSO118) .. Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 25.02.2011, made in I.T.A.No.2607/Mds/2007 on the file of the Income Tax Appellate Tribunal 'D' Bench, Chennai for the assessment year 2001-02.

as against the order of the Commissioner of Income Tax (Appeals) -I, Coimbatore made in Appeal No. 144/04-05 dated 04/10/2007 as against the order of the income Tax Officer ward - I (2) Erode in PAN GIR.No. 13PS0118 dated 30/03/2004 for the Assessment Year 2001-02.

For Appellant : Mr.T.R.Senthil Kumar,
Senior Standing Counsel

: assisted by Ms.K.G.Usharani,
Standing Counsel

For Respondent : No appearance

JUDGMENT
(Delivered by T.S.Sivagnanam, J.)

This appeal filed by the Revenue under Section 260A of the Income-tax Act, 1961 is directed against the order dated 25.02.2011, made in I.T.A.No.2607/Mds/2007 on the file of the Income Tax Appellate Tribunal 'D' Bench, Chennai for the assessment year 2001-02.

2.The appeal was admitted on 31.01.2012, on the following substantial questions of law:-

> "(i) Whether, on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal is right in law in deleting the additions made by the assessing officer towards the unexplained sundry creditors to the tune of Rs.94,92,177/- is valid? and
>
> (ii) Whether, on the facts and in the circumstances of the case, the Appellate Tribunal was right in law in deleting the addition made by the assessing officer even though the assessee has not established the genuineness of the credits to the satisfaction of the assessing officer and it is incumbent upon the assessee to establish the supporting evidence to the genuineness of the transaction?"

3.Heard Mr.T.R.Senthil Kumar, learned Senior Standing Counsel assisted by Ms.K.G.Usharani, learned Standing Counsel for the appellant.

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 08.08.2019 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 questions of law framed are 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 (CS-IV)

//True Copy//

Sub Assistant Registrar

abr

To

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

2.The Commissioner of Income Tax (Appeals) - I,
Coimbatore.

3.The Income Tax Officer,
Ward - I (2), Erode.

+1cc to Mr.N.Devanathan, Advocate, S.R.No. 72487
+1cc to Mr.T.R.Senthil Kumar, Advocate, S.R.No. 72917

SPD(CO)
GN(13/11/2019)