In the High Court of Judicature at Madras

Dated : 27.08.2019

Coram :

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

Tax Case Appeal No.114 of 2015

Commissioner of Income Tax,
Central Circle I, Chennai. ...Appellant

Vs

M/s.Devaraj & others
688, Trunk Road, Poonthamallee,
Chennai - 600 056. ...Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 21.09.2011 made in IT(SS).No.82/MDS/2006 on the file of the Income Tax Appellate Tribunal, Chennai 'A' Bench for the Block Period 01.04.1986 to 13.02.1996 against the order passed by the Assistant Commissioner of Income Tax, Central Circle-I, Coimbatore dated 27.03.2006 for the Block period 01.04.1986 to 13.02.1996.

For Appellant : Mr.T.R.Senthil Kumar, SSC
and Ms.K.G.Usharani
For Respondent: Mr.A.S.Sriraman
for Mr.S.Sridhar

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

We have heard Mr.T.R.Senthil Kumar, learned Senior Standing Counsel, and Ms.K.G.Usharani, learned Counsel appearing for the appellant/revenue and Mr.A.S.Sriraman, learned counsel for Mr.S.Sridhar, 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 21.09.2011 made in IT(SS).No.82/MDS/2006 on the file of the Income Tax Appellate Tribunal, Chennai 'A' Bench for the Block Period 01.04.1986 to 13.02.1996.

3.The appeal has been filed by raising 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 directing the Assessing Officer to estimate the income at 5% of the total turnover when the income has not been estimated by the Assessing Officer at 8% as assumed by the Income Tax Appellate Tribunal and there is no case for estimating the income at such a low rate?"

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/-
Asst.Registrar (Insp Cell)

/true copy/

Sub Asst. Registrar

cse

To

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

2.The Commissioner of Income Tax,
Central Circle I Chennai
3.The Assistant Commissioner of Income Tax,
Central Circle I, Coimbatore

+1 cc to mr.T.R.Senthil kumar Advocate sr73613
+1 cc to Mr.S.Sridhar Advocate sr74511

TCA.No.114 of 2015

pm(co)
aa22/10/2019