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.841 of 2015

The Commissioner of Income Tax,
Chennai. ...Appellant

Vs

M/s.Goldquest International Pvt. Ltd.,
Raintree Place, 9th Floor,
Mc.Nichols Road, Chetput,
Chennai - 600 031. ...Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 18.12.2013 made in ITA.No.1445/MDS/2013 on the file of the Income Tax Appellate Tribunal, Chennai 'B' Bench for the assessment year 2007-08.

Against the order of the Income Tax Appeals I Coimbatore dated 01.03.2013 in Appeal No. 339/09-10 in the assessment year 2007-2008.

Against the Order of the Income Tax Officer Company Ward II (1) dated 07.12.2009 GIR No.PAN AABCG 3717 C in the assessment Year 2007-08.

For Appellant : Mr.Karthik Ranganathan, SSC assisted by Mr.S.Rajesh, SC

For Respondent : Ms.J.Sreevidhya

JUDGMENT

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

We have heard Mr.Karthik Ranganathan, learned Senior Standing Counsel, assisted by Mr.S.Rajesh, learned Standing Counsel appearing for the appellant/revenue and Ms.J.Sreevidhya, 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 18.12.2013 made in ITA.No.1445/MDS/2013 on the file of the Income Tax Appellate Tribunal, Chennai 'B' Bench for the assessment year 2007-08.

3.The appeal was admitted on 29.09.2015 on the following substantial questions of law :

> "(i) Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in deleting the addition on account of personal travel expenses of Rs.2,69,382/- incurred by the Managing Director of the company on five dates, which were not explained by the assessee for its business purpose?
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> (ii) Whether on the facts and circumstances of the case, the Appellate Tribunal was right in law in deleting the addition on account of sales promotion expenses, when the assessee failed to furnish any details and genuineness of the expenditure, as the entire sales were made to the sister concern only, which is functioning in the next floor of the same premises?"

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 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 (Insp Cell)

//True Copy//

Sub Assistant Registrar

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To

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

2.The Income Tax Appeals I,
Coimbatore.

3.The Income Tax Officer Company Ward I (I),
Chennai 34.

4.The Commissioner of Income Tax,
Chennai - 34.

+1cc to Mr.Sreevidya, Advocate, S.R.No. 73633

TCA.No.841 of 2015

MG(CO)
GN(18/11/2019)