IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 22.08.2019

CORAM

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

Tax Case Appeal No.439 of 2013

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

-vs-

M/s.Sethu Valliammal Educational Trust,
59, Valliammal Street,
Red Hills Main Road, Ambattur,
Chennai-600 053. .. Respondent/Appellant

Appeal under Section 260A of the Income-tax Act, 1961, against the order dated 10.01.2013, on the file of the Income-tax Appellate Tribunal 'C' Bench, Chennai, in I.T.A.No.1445/Mds/2012 for the assessment year 2008-09, against the order of the Commissioner of Income Tax(Appeals) XII, Chennai G.I.No.PAN.No.AAATSO126K Assessment year 2008-09, order dated 04/04/2012 and as against the order of the Government of India, Income Tax Department, (Examsions)-III, Chennai PAN/GIR.No.36765 AAATS0126K, Assessment year 2008-09, order dated 31/12/2010.

For Appellant : Mr.J.Narayanasamy,
Senior Standing Counsel

For Respondent : Mr.G.Baskar

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

This appeal filed by the appellant/Revenue under Section 260A of the Income-tax Act, 1961, is directed against the order dated 10.01.2013, passed by the Income-tax Appellate Tribunal 'C' Bench, Chennai, in I.T.A.No.1445/Mds/2012 for the assessment year 2008-09.

2.The above appeal was admitted on the following substantial question of law, vide order dated 26.08.2013:-

> "Whether on the facts and in the circumstances of the case, the Tribunal was right in holding that the assessee is entitled for exemption under Section 11 by concluding that subscription to the

chits cannot be treated as an investment and the provisions of Section 11(5) cannot be invoked to deny the exemption?"

3.Heard Mr.J.Narayanasamy, learned Senior Standing Counsel for the appellant and Mr.G.Baskar, learned counsel for the respondent.

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 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

To

1.The Income-Tax Officer (OSD),
Exemptions-III, Chennai.

2.The Commissioner of Income-tax (Appeals)-XII,
121, Mahatma Gandhi Road, Nungambakkam, Chennai-600 034.

3.The Income-tax Appellate Tribunal 'C' Bench,
Chennai.

+1cc to M/s.J.Narayanaswamy, Advocate SR.No.73468
+1cc to G.Baskar, Advocate Sr.No.72275

AKM/30.10.19 /2P-6C/

T.C.A.No.439 of 2013