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.595 of 2013

Commissioner of Income tax,
Coimbatore. .. Appellant/Respondent

-vs-

Shri S.A.Balasubramaniam,
2/67 VIP Nagar,
Vilankurich P O.,
Coimbatore-641 035. .. Respondent/Appellant

Appeal under Section 260A of the Income-tax Act, 1961, against the order dated 06.03.2013, on the file of the Income-tax Appellate Tribunal 'B' Bench, Chennai, in I.T.A.No.10/Mds/2012 for the assessment year 2008-09 as against the Order dated 25.11.2011 on the file of the Commissioner of Income Tax (Appeals)-I, Coimbatore, made in Appeal No.226/10-11, against the order dated 31.12.2010 on the file of the Deputy Commissioner of Income Tax, Circle -III, Coimbatore vide PAN ACJPB 5690G for the Assessment Year 2008-09.

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

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

For Respondent : Mr.Mr.R.Venkatanarayana,

: for M/s.Subbaraya Aiyar,
Padmanabhan & Ramamani

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 06.03.2013, passed by the Income-tax Appellate Tribunal 'B'

Bench, Chennai, in I.T.A.No.10/Mds/2012 for the assessment year 2008-09.

2.The above appeal was admitted, on 07.11.2013, on the following substantial questions of law:-

> "(i) Whether under the facts and circumstances of the case, the Income Tax Appellate Tribunal was right in reducing the addition made under Section 68 to Rs.85,00,000/- from that of Rs.1,62,51,280/- made by the assessing officer?
>
> (ii) Whether based on the material available before it, the Income Tax Appellate Tribunal could have come to the conclusion that in respect of certain amounts there is clear proximity of inflow and outflow and the same should be reasonable set off against each other?"

3.Heard Mr.T.R.Senthil Kumar, learned Senior Standing Counsel assisted by Ms.K.G.Usharani, learned Junior Standing Counsel for the appellant and Mr.R.Venkatanarayana, learned counsel, for M/s.Subbaraya Aiyar, Padmanabhan & Ramamani, 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 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.

abr

Sd/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

To
1.The Deputy Commissioner of Income Tax,
Circle-III, Coimbatore.

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

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

+1cc to Mr.subbaraya Aiyar, Advocate, SR.No.77318
+1cc to Mr.T.R.Senthil Kumar, Advocate, SR.No.72309

T.C.A.No.595 of 2013

Kak(23/10/2019)