IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 12.12.2019

CORAM :

THE HONOURABLE MR.JUSTICE N.KIRUBAKARAN
and
THE HONOURABLE MR.JUSTICE P.VELMURUGAN

T.C.A.No.114 of 2018

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

Vs.

M/s.Premier Marine Products,
No.3/284, Muttukadu Raod,
Neelangarai, Chennai 600 041.
PAN AAAFP3039N ... Respondent/Respondent

PRAYER : Appeal under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, Madras "D" Bench, dated 14.10.2016 passed in ITA.No.1463/mds/2012, for the assessment year 2008-2009 against the order of the Commissioner of Income Tax Appeal VIII, Chennai, dated 11/04/2012 made in ITA.No.91/10-11/(A)-VIII for the assessment year 2008-09, against the order of the Deputy Commissioner of Income Tax Business Circle IV, Chennai, dated 31.12.2010 made in PAN.AAAFP3039N for the assessment year 2008-09.

For Appellant : Mrs.R.Premalath
for Mr.M.Swaminathan
Senior standing counsel

For Respondent : Mr.A.S.Sriraman

JUDGMENT

(Judgment of the Court was delivered by N.KIRUBAKARAN, J)

This Tax Case Appeal has been preferred by the Revenue against the order dated 14.10.2016 passed in ITA.No.1463/mds/2012 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench for the assessment year 2008-2009.

2.The order of the CIT(A)-VIII, Chennai, dated 11.04.2012 for the assessment year, 2008-2009 was challenged before the Tribunal by the Revenue as well as the Assessee. The Appellate Tribunal dismissed the same holding that nothing has been shown by either of the parties to interfere with the order of the

CIT(A)-VIII. Against the order of the Appellate Tribunal only, the present appeal has been filed.

3.The appeal was admitted on 27.03.2018 on the following substantial questions of law :

> "Whether on the facts and circumstances of the case, the Tribunal was right in holding that no addition under Section 40A(3)of the Income Tax Act, 1961 can be made towards cash purchase exceeding Rs.20,000/- effected from middle men and traders at fish catching centre by applying the provisions of Rule 6DD(e)(iii) of the Income Tax Rules, 1962 by assuming that the purchases were made from the fishermen directly?"

4.Mrs.S.Premalatha, learned counsel for Mr.M.Swaminathan, learned Senior Standing Counsel appearing on behalf of the appellant would submit that the tax effect in this case is less than Rs.1 crore and is covered by Circular No.17/2019 dated 08.08.2019 issued by the Director, Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India, Delhi. As per the said circular, the monetary limit to file an appeal before the High Court is fixed at Rs.1 crore. In this case, tax effect is less than Rs.1 crore and therefore, the case has to be dismissed.

5.This Court perused the circular dated 08.08.2019 and Paragraph No.2 of the said Circular, which prescribes monetary limit for filing appeal is usefully extracted as follows:

> 2.As a step towards further management of litigation, it has been decided by the Board that monetary limits for filing of appeals in income-tax cases be enhanced further through amendment in Para 3 of the Circular mentioned above and accordingly, the table for monetary limits specified in Para 3 of the Circular shall read as follows:

S.No.	Appeals / SLPs in Income-tax matters	Monetary Limit (Rs.)
1.	Before Appeallate Tribunal	50,00,000
2.	Before High Court	1,00,00,000
3.	Before Supreme Court	2,00,00,000

6.In view of the submissions made by the learned counsel appearing on behalf of the appellant and also in view of the Circular No.17/2019 dated 08.08.2019 issued by the Director, Central Board of Direct Taxes, Delhi, the Tax Case Appeal is dismissed on account of tax effect. However, the substantial question of law framed is left open. In the event the tax effect is above the 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(C.S.VIII)

/True Copy/

Sub Assistant Registrar

To

1.The Commissioner of Income Tax,
Chennai.

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

3.The Commissioner of Income Tax Appeal VIII,
Chennai.

4.The Deputy Commissioner of Income Tax
Business Circle IV, Chennai.

+1 cc to M/s.M.Swaminathan,Advocate Sr.No. 103462
+1 cc to M/s.S.Sridhar,Advocate Sr.No. 103773

AKM/27.01.2020/3P-7C /

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