In the High Court of Judicature at Madras

Dated : 30.8.2019

Coram :

The Honourable Mr.Justice T.S.SIVAGNANAM

and

The Honourable Mrs.Justice V.BHAVANI SUBBAROYAN

Tax Case Appeal Nos.403 & 404 of 2016 & CMP.No.8654 of 2016

The Commissioner of Income Tax, Trichy ...Appellant

Vs

Shri.S.P.Ramamurthy ...Respondent

APPEALS under Section 260A of the Income Tax Act, 1961 against the common order dated 24.7.2015 made in IT(SS) A.No.20/Mds/2011 and CO. No.10/Mds/2012 in IT(SS) A.No.20/Mds/2011 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench for the block assessment year 1988-89 to 1998-99 and against the order dated 17/03/2011 made in ITA.No.284/06-07 passed by the Commissioner of Income Tax (Appeals) Tiruchirapalli and against the order dated 29/03/2003 pased by the Assistant Commissioner of Income Tax centra Circle-I, Tiruchirapalli for the assessment year 1988-89 to 1998-99.

For Appellant:Mr.M.Swaminathan, SSC assisted by
Ms.V.Pushpa, SC
For Respondent:Mr.M.P.Senthilkumar

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

We have heard Mr.M.Swaminathan, learned Senior Standing Counsel assisted by Ms.V.Pushpa, learned Standing Counsel appearing for the appellant - Revenue and Mr.M.P.Senthilkumar, learned counsel appearing for the respondent - assessee.

2. These appeals, filed by the Revenue under Section 260A of the Income Tax Act, 1961, are directed against the common order dated 24.7.2015 made in IT(SS)A.No.20/Mds/2011 and CO.No.10/Mds/2012 in IT(SS)A.No.20/Mds/2011 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench for the block assessment year 1988-89 to 1998-99.

3. The appeals were admitted on 27.6.2016 on the following substantial question of law :

> "Whether, on the facts and in the circumstances of the case, the Tribunal was right in holding that the various additions of unexplained investment cannot be sustained (i) on the ground that the investments were reflected in balance sheet prepared and filed in response to notice under Section 158BC even though the assessee had not maintained the books of accounts till the date of search and (ii) on the ground that the additions were made only on the basis of the statement recorded during the search and not material pointing towards the additions were seized during the search without appreciating the facts that the additions were made only on the basis of seized material and without appreciating the operation of legal presumption against the assessee under Section 132(4) when the assessee had not rebutted the admissions in the statements ?"

4. The learned Senior Standing Counsel for the appellant submits that the above appeals are 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 the respective cases is less than the threshold limit.

5. In the light of the said submissions, the above tax case appeals are dismissed on account of the low tax effect. The substantial question of law framed is left open. In the event the tax effect in the respective cases 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 appeals

to be heard and decided on merits. No costs. Consequently, the connected CMP is also dismissed.

Sd/-
Asst.Registrar (CS I)

/true copy/

Sub Asst. Registrar

To
1.The Income Tax Appellate Tribunal, Chennai 'D' Bench.

2.The Commissioner of Income Tax Appeals,
Tiruchirappallai

3.The Assistant Commissioner of Income tax,
Central Circle-I,
Tiruchirappalli

4.The Commissioner of Income Tax,
trichy

+1 cc to Mr.M.Swaminathan Advocate sr75844

TCA.Nos.403 & 404 of 2016
& CMP.No.8654 of 2016

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