IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 26.08.2019

CORAM

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

Tax Case Appeal No.418 of 2014

Director of Income Tax (Exemptions),
Chennai. .. Appellant

-vs-

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

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 29.10.2013, made in I.T.A.No.1135(Mds)/2013 on the file of the Income Tax Appellate Tribunal 'A' Bench, Chennai for the assessment year 2009-10, and against the order of the Commissioner of Income Tax (Appeals) XII, Chennai-34, dated 12.03.2013 made in ITA.NO.277/2011-12, and against the order of the Assistant Director of Income Tax Exemptions-III, Chennai dated 30.11.2011 made in IT.N.S.NO.65.

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

For Respondent : Mr.M.P.Senthil Kumar
For Mr.G.Baskar

JUDGMENT

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

This appeal filed by the Revenue under Section 260A of the Income-tax Act, 1961 is directed against the order dated 29.10.2013, made in I.T.A.No.1135(Mds)/2013 on the file of the Income Tax Appellate Tribunal 'A' Bench, Chennai for the assessment year 2009-10.

2.The appeal was admitted on 12.08.2014, 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 assessee is entitled for exemption u/s 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.M.P.Senthil Kumar, learned counsel for 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(CS VI)

//True Copy//

Sub Assistant Registrar

abr

To

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

2.The Income Tax(Appeals)XII, Chennai-34.

3.The Assistant Director of Income Tax,
Exemptions-III, Chennai.

4.The Director of Income Tax(Exemptions), Chennai.

+1cc to Mr.G.Baskar, Advocate sr.73049

br(co)
nr 31/10/2019