IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 13.12.2019

CORAM :

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

T.C.A.No.988 of 2019

Commissioner of Income Tax,
Chennai. ... Appellant

Vs

D C Seth (HUF),
58 Devaraja Mudali Street,
Chennai 600 003. ...Respondent

PRAYER:
Tax Case Appeal filed under Section 260A of Income Tax Act, 1961 against the order dated 10.06.2002 in I.T.A.No.483(Mds)/1993 on the file of the Income Tax Appellate Tribunal Chennai 'C' Bench for the assessment year 1986-87.

against the order passed dated 27.11.1992 in IT/WT/GT/Appeal No.317/92-93 on the file of the Commissioner of Income Tax (Appeals)VI, Madras, against the order dated 27.03.1992 in PAN/GIR.No.3795D on the file of the Assistant Commissioner of Income Tax, City Circl-III(3), Madras-6.

For Appellant : Ms.Hemalatha, Junior Standing Counsel.

J U D G M E N T
(Judgment of the Court was delivered by N.KIRUBAKARAN, J)

This tax case appeal has been filed against the order of the Income Tax Appellate Tribunal dated 10.06.2002 in I.T.A.No.483(Mds)/1993 in partly allowing the appeal filed by the assessee against the order of the Income Tax Appellate Tribunal by which the appeal filed by the assessee was partly allowed.

2.Heard Ms.Hemalatha, learned Junior Standing Counsel for the appellant.

3.This tax case appeal is admitted on the following substantial questions of law:

"(i)Whether in the facts and circumstances of the case, the Appellate Tribunal was right in holding that no interest u/s.139(8) and Sec.217 can be levied in the case of re-assessment proceedings?

(ii)Whether in the facts and circumstances of the case, view of the Appellate Tribunal that no interest u/s.139(8) and Sec.217 is leviable was right, in view of the insertion of explanation 2 to Sec.139(8) with effect from 01.04.1985?"

4. Ms.Hemalatha, learned Junior 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 appeal has to be dismissed.

5.This Court perused the circular dated 08.08.2019 and Paragraph No.2 of the Circular, which prescribes monetary limit for filing appeal. Paragraph No.2 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, this Tax Case Appeal is dismissed on account of tax effect. However, the substantial questions of law framed are 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(CS I)

//True Copy//

Sub Assistant Registrar

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To

1. Commissioner of Income Tax,
   Chennai.

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

3. The Commissioner of Income Tax (Appeals)V,
   Madras.

4. The Assistant Commissioner of Income Tax,
   City Circle III(3), Madras-6.

+1cc to Mr.T.Ravi Kumar, Senior Standing Counsel,
in Sr.No.103845

T.C.A.No.988 of 2019

SSI(CO)
CS/30/01/2020