In the High Court of Judicature at Madras

Dated : 16.6.2020

Coram :

The Honourable Mr.Justice T.S.SIVAGNANAM

and

The Honourable Mrs.Justice PUSHPA SATHYANARAYANA

Tax Case Appeal No.1326 of 2009

The Commissioner of Income Tax, Coimbatore ...Appellant

Vs

Talent Paper & Boards Pvt.Ltd., Coimbatore-9 ...Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 19.12.2007 made in IT(SS)A.No.80/Mds/2006 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench for the block period 01.4.1986 to 13.2.1996 against the Block Assessment order dated 23.03.2006 made in PAN No.AACFT4562C on the file of the Income Tax Department Assistant Commissioner of Income Tax Company Circle(2) Coimbatore, Block Assessment from 01.04.1986 to 13.02.1996 - 1987-88 to 96-97.

For Appellant: Mr.T.R.Senthilkumar, SSC assisted by Ms.K.G.Usharani, SC

For Respondent: Mr.Niranjan Rajagopalan

Judgment was delivered by T.S.Sivagnanam,J

We have heard Mr.T.R.Senthilkumar learned Senior Standing Counsel assisted by Ms.K.G.Usharani, learned Standing Counsel appearing for the appellant – Revenue and Mr.Niranjan Rajagopalan, learned counsel appearing for the respondent – assessee.

2. This appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 (for short, the Act) is directed against the order dated 19.12.2007 made in IT(SS) A.No.80/Mds/2006 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench (for brevity, the Tribunal) for the

block period 01.4.1986 to 13.2.1996.

3. The appeal has been admitted on 08.12.2009 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 share capital/advance money can never be treated as unexplained investment in the hands of the assessee company ?"

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 08.8.2019 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 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-IV)

//True copy//

Sub Assistant Registrar

RS

To

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

2. The Assistant Commissioner of Income Tax,
Company Circle (2), Coimbatore.

3. The Commissioner of Income Tax, Coimbatore.

TCA.No.1326 of 2009

RLD(CO)
GMY(22/10/2020)