IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 15.6.2020

CORAM :

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM

AND

THE HONOURABLE MRS.JUSTICE PUSHPA SATHYANARAYANA

TAX CASE APPEAL NOS.702 & 703 OF 2010

Commissioner of Income Tax,
Central-III, Chennai ...Appellant

Vs

Shri M.Vaishraj ...Respondent

PRAYER: APPEALS under Section 260A of the Income Tax Act, 1961 against the common order dated 30.10.2009 made respectively in ITA.Nos.1201 and 1209/Mds/2009 on the file of the Income Tax Appellate Tribunal, Chennai 'C' Bench respectively for the assessment years 2004-05 and 2001-02 preferred against the order of the Commissioner of Income Tax(Appeals)_II, Chennai - 34, dated 06.05.2009, made in ITA.Nos.345 and 349 of 2006-07, against the order dated 29.12.2006, made in ACAPV0312Q for the assessment year 2001-02 and 2004-05 respectively passed by the Assistant Commissioner of Income Tax Central Circle (III)3, Chennai-34.

For Appellant : Mr.T.R.Senthilkumar, SSC assisted by Ms.K.G.Usharani, SC
For Respondent : No appearance

COMMON JUDGMENT
(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.

2. These appeals, filed by the Revenue under Section 260A of the Income Tax Act, 1961, are directed against the common order

dated 30.10.2009 made respectively in ITA.Nos.1201 and 1209/Mds/2009 on the file of the Income Tax Appellate Tribunal, Chennai 'C' Bench for the assessment years 2004-05 and 2001-02.

3. The appeals were admitted on 17.8.2010 on the following substantial question of law :

> "Whether, on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in holding that the alleged gifts credited to the capital account could not be assessed as the assessee's income from undisclosed sources when the genuineness of the gifts and the capacity of the donors have not been proved and when the human probabilities and the economic realities would not support the claim of such large gifts from donors whose financial status was lower than that of the assessee ?"

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.

Sd/-

Assistant Registrar(CO MDU)

//True copy//

Sub Assistant Registrar

RS

To

1.The Income Tax Appellate Tribunal, Chennai 'C' Bench.
2.The Commissioner of Income Tax(Appeals)_II, Chennai 34
3.The Commissioner of Income Tax(Appeals)-II, Chennai-34
4.The Assistant Commissioner of Income Tax,
  Central Circle (III)-3, Chennai-34

TCA.Nos.702 & 703 of 2010

SSV(CO)
KKV/15/10/2020