IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 07.07.2020

CORAM

THE HON'BLE MR.JUSTICE T.S.SIVAGNANAM
&
THE HON'BLE MRS.JUSTICE V.BHAVANI SUBBAROYAN

T.C.A.No.531 of 2013

The Commissioner of Income Tax,
Chennai. ... Appellant

Vs.

Shri P.R.Manickam ... Respondent

Tax Case Appeal is filed under Section 260A of the Income Tax Act 1961 against the order dated 07.09.2012 made in M.P.No.116/Mds/2012 in I.T.(SS)A.No.4/Mds/2009 on the file of the Income Tax Appellate Tribunal, Madras "C" Bench, Chennai, for the assessment periods 01.04.1985 to 31.03.1995 and 01.04.1995 to 29.09.1995.

Against the order dated 01.3.2012 made in IT(SS)A No.04/Mds/2009 on the file of the Income Tax Appellate Tribunal "C" Bench, Chennai for the Block Period 01.4.85 to 31.3.95 and 01.4.95 to 29.9.95.

Against the order dt.31.12.08 made in PAN/GIR No.AAAPM1783B/ 711-M on the file of the Deputy Commissioner of Income Tax, Central Circle 11(1) Chennai for the Block Periods 01.4.85 to 31.3.95 & 01.4.95 to 29.9.95.

For Appellant : Mrs.R.Hemalatha
Senior Standing Counsel
For Respondent : Mr.Ashokapathy

Judgment

(Judgment was delivered by T.S.SIVAGNANAM.J)

We have heard Mrs.R.Hemalatha, learned Senior Standing Counsel for the appellant and Mr.Ashokapathy, accepting notice for the respondent.

2. This appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 is directed against the order dated 07.09.2012 made in M.P.No.116/Mds/2012 in I.T.(SS) A.No.4/Mds/2009 on the file of the Income Tax Appellate Tribunal, Madras "C" Bench, Chennai, for the assessment period 01.04.1985 to 31.03.1995 and 01.04.1995 to 29.09.1995.

3. The Tax case appeal was admitted on 17.09.2013 on the following substantial questions of law :

> "1.Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in holding that Section 158BD proceedings were imitated without recording necessary satisfaction which is contrary to be noting in the order sheet dated 16.08.1996 wherein satisfaction has been recorded by the proper officer at the time of initiating notice under Section 158BD?.
>
> 2. Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in quashing the assessment and holding that there was no satisfaction which is contrary to the records?
>
> 3. Whether the finding of the Tribunal was proper especially when the records of the department clearly reveals that satisfaction note had been very much available in the order sheet dated 16.08.1996?"

4. The matter has been listed under the caption "For Withdrawal" on account of low tax effect. The learned Standing Counsel does not have any written instructions to the said effect. Therefore, we verified the case bundle, more particularly, the order passed by the Assessing Officer dated 31.12.2008, and we find that the Tax liability is below the threshold limit fixed in the circular dated 08.8.2019 in Circular No.17/2019 issued by the Central Board of Direct Taxes. Therefore, the revenue cannot pursue further.

5. Accordingly, the tax case appeal is dismissed on the ground of low tax effect. The substantial questions of law are left open. Liberty is granted to the appellant to restore the appeal in the event, at a later point of time, it comes to notice that the case is not covered by the circular.

Sd/-
Assistant Registrar(CS)

//True Copy//

Sub Assistant Registrar

To

1.The Income Tax Appellate Tribunal, "C" Bench, Chennai.

2.The Deputy Commissioner of Income Tax,
Central Circle 11(1) Chennai.

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