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 No.627 of 2013

The Commissioner of Income Tax, Coimbatore ...Appellant

Vs

Shri K.Muruganandan ...Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 18.2.2013 made in ITA.No.1773/Mds/2011 on the file of the Income Tax Appellate Tribunal, Chennai 'B' Bench for the assessment year 2003-04, against the Appellate order of the Commissioner of Income Tax(Appeals)-1, Coimbatore, dt.24-08-2011 nad made in PAN/GIR No:AEUPM0847D for the Assessment year 2003-04; and

against the Assessment order of the Deputy Commissioner of Income Tax, Company Circle-1(3), Coimbatore, dt.17-08-2010 and made in PAN/GIR No: AEUPM0847D for the Assessment year 2003-04.

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

For Respondent: Mr.A.S.Sriraman

Judgment was delivered by T.S.Sivagnanam,J

We have heard Mr.T.R.Senthilkumar, learned Senior Standing Counsel and Ms.K.G.Usharani, learned Standing Counsel appearing for the appellant - Revenue and Mr.A.S.Sriraman, learned counsel appearing for the respondent.

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 18.2.2013 made in ITA.No.1773/Mds/2011 on the file of the Income Tax Appellate Tribunal, Chennai 'B' Bench (for brevity, the Tribunal) for the assessment year 2003-04.

3. The appeal has been admitted on 28.10.2013 on the following substantial questions of law :

> "i. Whether, in law and in the facts and circumstances of the case, the Tribunal was right in holding that the amount received by the assessee under the non compete agreement was not chargeable to tax since the same had accrued to the assessee at the time of signing the non compete agreement ? and
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> 2. Whether, in law and in the facts and circumstances of the case, the Tribunal was right in not considering applicability of Section 28(Va) to the case of the assessee for the assessment year in appeal ?"

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 questions of law framed are 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

//True Copy//

Sub Assistant Registrar

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To

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

2.The Commissioner of Income-Tax(Appeals)-1,
Coimbatore.

3.The Deputy Commissioner of Income-Tax,
Company Circle-1(3),
Coimbatore.

4.The Commissioner of Income-Tax,
Coimbatore.

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