In the High Court of Judicature at Madras

Dated : 18.06.2020

Coram :

The Honourable Mr.Justice T.S.SIVAGNANAM

and

The Honourable Mrs.Justice PUSHPA SATHYANARAYANA

Tax Case Appeal Nos.331 to 333 of 2014

Commissioner of Income Tax,
Central Circle, Chennai-600 034. ...Appellant in all TCAs

-vs-

M/s.SRM Hotels Pvt Ltd.,
No.2, Veerasamy Street,
West Mambalam, Chennai-600 033.
PAN: AABCS5185L ...Respondent in all TCAs

Prayer : APPEALS under Section 260A of the Income Tax Act, 1961 against the order dated 21.06.2013 made in ITA Nos.612, 613 & 614/Mds/2013 on the file of the Income Tax Appellate Tribunal 'D' Bench, Chennai for the assessment years 2002-03, 2003-04 and 2004-05 preferred against the order of the Commissioner of the Income Tax (Appeals)-II, Chennai-34, dated 30.01.2013, made in ITA Nos.100, 111 and 100/10-11, against the order of the Assistant Commissioner of Income Tax Central Circle-I(3), Chennai-34 dated 31.12.2009 for the assessment years 2002-03 and 2003-04 and dated 16.12.2008 for the assessment year 2004-05, made in PAN No.AABCS5185L.

For Appellant : Mr.T.R.Senthil Kumar
(In all TCAs) Senior Standing Counsel &
Ms.K.G.Usha Rani,
Standing Counsel

For Respondent: Mr.N.Devanathan &
(In all TCAs) Mr.Suganthiraj

Common Judgment was delivered by T.S.Sivagnanam,J

We have heard Mr.T.R.Senthil Kumar, learned Senior Standing Counsel and Ms.K.G.Usha Rani, learned Standing Counsel appearing for the appellant-Revenue and Mr.N.Devanathan, learned counsel and Mr.Suganthiraj, learned counsel for the respondent-assessee.

2. These appeals, filed by the Revenue under Section 260A of the Income Tax Act, 1961 are directed against the order dated 21.06.2013 made in ITA Nos.612, 613 & 614/Mds/2013 on the file of the Income Tax Appellate Tribunal 'D' Bench, Chennai for the assessment years 2002-03, 2003-04 and 2004-05.

3. The appeals were admitted on 16.09.2014, 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 quashing the assessment made under section 153C read with Section 143(3) read with Section 263 is bad in law when the original assessment order has not reached finality?
>
> 2.Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in quashing the assessment order holding that the assessing officer has not recorded the reasons before initiating proceedings under Section 153C of the Income Tax Act?
>
> 3. Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in dismissing the department appeals when the earlier year appeal is pending before this Honourable High Court?"

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 this case 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 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 appeals to be heard and decided on merits. No costs.

Sd/-
Assistant Registrar(CO MDU)

//True copy//

Sub Assistant Registrar

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To

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

2. The Commissioner of Income Tax (Appeals)-II, Chennai-34.

3. The Assistant Commissioner of Income Tax,
Central Circle-I(3), Chennai-34

TCA.Nos.331 to 333 of 2014

SSV(CO)
GMY(10/09/2020)