IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATE: 22.02.2021

CORAM:

THE HON'BLE MR. JUSTICE M.DURAISWAMY
AND
THE HON'BLE MRS.JUSTICE T.V.THAMILSELVI

T.C.A.No.590 of 2011

Commissioner of Income Tax - I,
Chennai. ... Appellant/Respondent

Vs.

M/s.Lifeccell International Pvt. Ltd.,
26-Vandalur,
Kelambakkam Main Road,
Keelakottaiyur,
Chennai - 600 048. ... Respondent/ Appellant

Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras, "D" Bench, dated 13.07.2011 in I.TA.No.851/Mds/2011 Assessment Year 2006-07, appeal filed against the order passed by the Commissioner of Income Tax, Income Tax Department, 121, Mahatma Gandhi Road, Chennai-34, made in C.No.217(51)/CIT-1/263/2010-11, dated 25.03.2011 and against the order passed by the Deputy Commissioner of Income Tax, Company Circle1(1), Chennai, made in PA/GIR.noAAB(A799/B, dated 28.11.2008.

For Appellant : Mr.Karthick Ranganathan,
Senior Standing Counsel

For Respondent : Mr.R.Sivaraman

JUDGMENT
(Judgment was delivered by M.DURAISWAMY, J.)

We have heard Mr.Karthick Ranganathan, learned Senior Standing Counsel for the appellant/Revenue and Mr.R.Sivaraman, learned counsel for the respondent/assessee.

2.The appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 (for short, the Act) is directed against the order dated 13.07.2011 made in I.TA.No.851/Mds/2011 on the file of the Income Tax Appellate Tribunal, Chennai, "D" Bench (for brevity, the Tribunal) for the Assessment Year 2006-07.

3.The appeal was admitted on 06.02.2012 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 setting side the order of the Commissioner of Income Tax under Section 263 on the ground that the lump sum storage fees paid by the parents in respect of storing blood, stem, cell and umbilical cord of the new born babies were rightly spread over in the period of twenty one years by the assessee ignoring the fact that by making a lump sum payment the parents were only adopting one of the two options of payment of fees viz., a one time payment and annual payment both of which were taxable in the year receipt?
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> 2)Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in holding that the CIT was wrong in invoking the jurisdiction under Section 263 of the Act, since the Assessing Officer had adopted only one of the two possible views on the issue in question ignoring the settled law the failure of the assessing Officer to make the necessary enquiries and verifications regarding the details furnished by the assessee itself would make the assessment order erroneous and prejudicial to the interest of the revenue?"

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 08.08.2019 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 these cases are less than the threshold limit.

5.In the light of the said submissions, the above Tax Case Appeal is dismissed as withdrawn on account of the Low Tax Effect. The substantial questions of law framed are left open. In the event the tax effect in this case 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 II)

//True Copy//

Sub Assistant Registrar

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To

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

2. The Commissioner of Income Tax,
   Income Tax Department, 121,
   Mahatma Gandhi Road, Chennai-34.

3. The Deputy Commissioner of Income Tax,
   Company Circle1(1), Chennai.

T.C.A.No.590 of 2011

BS(CO)
CSR 12.03.2021