IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 09.08.2021

CORAM :

THE HON'BLE MR. JUSTICE T.S. SIVAGNANAM
AND
THE HON'BLE MR. JUSTICE SATHI KUMAR SUKUMARA KURUP

T.C.A.No.929 of 2013

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

Vs.

Shri.M.Shanmugham
No.20, 2nd Street, Jai Nagar,
Valasaravakkam,
Chennai – 600 041. ... Respondent

Tax Case Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras, "C" Bench, dated 25.09.2012 in C.O.No.108/Mds/2012 in I.T.A.No.1110/Mds/2012, Assessment Year 2006-07.

Against the Appellate order of the Commissioner of Income Tax (Appeals)-VIII, Chennai – 600 034, dated 22.02.2012 and made in ITA.Nos.86 & 177 / 10-11 / (A)-III, for the Assessment Year 2006-07; and

Against the Assessment order of the Assistant Commissioner of Income – Tax, Business Circle -V, Chennai – 600 034, dated 22.12.2010 and made in PAN/GIR No: ABDPS0423R for the Assessment Year 2006-07.

For Appellant : Mr.Karthik Ranganathan
Senior Standing Counsel

For Respondent : Mr.Ashok Menon

J U D G M E N T
(Judgment was delivered by T.S. SIVAGNANAM, J.)

We have heard Mr.Karthik Ranganathan, learned Senior Standing Counsel for the appellant/Revenue and Mr.Ashok Menon, learned counsel for the respondent/assessee.

2.The appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 ("the Act" for brevity) is directed against the order dated 25.09.2012 made in C.O.No.108/Mds/2012 in I.T.A.No.1110/Mds/2012 on the file of the Income Tax Appellate Tribunal, Chennai, "C" Bench (for brevity, "the Tribunal") for the Assessment Year 2006-07.

3.The appeal was admitted on 03.03.2014 on the following substantial question of law:

> "Whether on the facts and in the circumstances of the case, the Appellate Tribunal was right in deleting the additions made by the Assessing Officer towards inflated purchases and accepting the cost of purchase of old bottles from street hawkers at a higher price than the market price being sold by registered sellers in a similar trade?"

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 this case is 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 question of law framed is 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-IV)

// True Copy//

Sub Assistant Registrar

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To

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

2. The Commissioner of Income Tax,
   Chennai.

3. The Commissioner of Income Tax (Appeals)-VIII,
   Chennai-600 034.

4. The Assistant Commissioner of Income Tax,
   Business Circle - V
   Chennai-600 034.

PA(CO)
SU(08/09/2021)