IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 23.03.2021

CORAM

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

T.C.A.No.237 of 2014

Commissioner of Income Tax,
Trichy. ... Appellant

Vs.

Smt.U.Srilakshmi
25, Pandamangalam Agraharam,
Woraiyur, Trichy - 620 003. ... Respondent

Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras, "D" Bench, dated 11.07.2011 in I.TA.No.676/Mds/2011, Assessment Year 2007-08 against the Order of the Commissioner of Income Tax(Appeals), Tiruchirappalli, dated 11/01/2011 in ITA.No.174/09-10, G.I.No./PAN.No.AAFPU4705R for the Assessment year 2007-2008 against the order of the Assistant Commissioner of Income Tax, Company Circle-II(i/c), Trichy, dated 31/12/2009 in PAN/GIR.No.AAFPU4705R for the Assessment year 2007-2008.

For Appellant : Mrs.V.Pushpa
Standing Counsel

For Respondent : Mr.M.Kaushik
for Mr.S.Sridhar

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

We have heard Mrs.V.Pushpa, learned Standing Counsel for the appellant/Revenue and Mr.M.Kaushik for Mr.S.Sridhar, 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 11.07.2011 made in I.TA.No.676/Mds/2011 on the file of the Income Tax Appellate Tribunal, Chennai, "D" Bench (for brevity, the Tribunal) for the Assessment Year 2007-08.

3.The appeal was admitted on 25.08.2014 on the following substantial questions of law:

> *"1.Whether on the facts and in the circumstances of the case, the Tribunal was right in holding that the Assessing Officer had rejected the books of account on the basis of mere suspicion?*
>
> *2.Whether on the facts and in the circumstances of the case, the Tribunal was right in holding that the gross profit is to be fixed at 14.97% by the Assessing Officer is not sustainable?*
>
> *3.Whether on the facts and in the circumstances of the case, the Tribunal was right in holding that the individual payments cannot be aggregated even if they are paid on the same day and thereby erred in deleting the disallowance under Section 40-A(3)?*
>
> *4.Whether on the facts and in the circumstances of the case, the Tribunal was right in deleting the disallowance made under Section 40-A(3) on the ground that said disallowance cannot be made where the Assessing Officer had estimated the gross profit?"*

4.The learned 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 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 III)

//True Copy//

Sub Assistant Registrar

To

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

2.The Commissioner of Income Tax,
Trichy.

3.The Commissioner of Income Tax(Appeals),
Trichy.

4.The Assistant Commissioner of Income Tax,
Company Circle-I(I/c), Trichy.

+1cc to Mr.S.Sridhar, Advocate SR.NO..18934
+1cc to M/s.M.Swaminathan, Senior Standing
Counsel, SR.NO..No.18938

AKM/27.04.21/3P-7C/

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