IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 06.07.2021

CORAM

THE HON'BLE MR. JUSTICE M.DURAISWAMY
AND
THE HON'BLE MRS.JUSTICE R. HEMALATHA

T.C.A.No.873 of 2014

Commissioner of Income Tax,
Coimbatore
... Appellant

Vs.

Shri A. Gnanpaul,
Prop : M/s.Annai Fathima Leathers,
No.101A, Rmamurthy Nagar,
Erode – 638 303.
... Respondent

Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras, “C” Bench, dated 07.03.2014 in I.T.A.No.1258/Mds/2013, Assessment Year 2007-08, as against the order of the Commissioner of Income Tax(Appeals)-1, Coimbatore dated 05.03.2013 made in Appeal.No.193 of 2010-11 for the assessment years 2007-08, as against the order of the Income Tax Officer, Ward-I(3), Erode dated 30.12.2010 made in AFFDG3540K U/s.143(3) r.w.s.147 of Income Tax Act.

For Appellant : Mr.T.R.Senthil Kumar
Senior Standing Counsel
and Mrs.K.G.Usha Rani
Standing Counsel

For Respondent : Mr.R.Kumar
for M/s.T.N.Seetharaman

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

We have heard Mr.T.R.Senthil Kumar, learned Senior Standing Counsel and Mrs.K.G.Usha Rani, learned Standing Counsel for the appellant/Revenue and Mr.R.Kumar, 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 07.03.2014 made in I.T.A.No.1258/Mds/2013 on the file of the Income Tax Appellate Tribunal, Chennai, "C" Bench (for brevity, the Tribunal) for the Assessment Year 2007-08.

3.The appeal was admitted on 17.11.2014 on the following substantial questions of law:

> "1.Whether under the facts and circumstances of the case, the Income Tax Tribunal was right in upholding that the order of the Commissioner of Income Tax (Appeals) deleting the addition made by the assessing officer in respect of creditors which were not satisfactorily explained by the assessee?
>
> 2.Whether based on the material available before the Income Tax Appellate Tribunal, it could have come to the conclusion that the creditors whose balances were added by the assessing officer were satisfactorily explained by the assessee?
>
> 3.Whether on the facts and in the circumstances of the case, the Tribunal was right in upholding the order of the Commissioner of Income Tax (Appeals) deleting additions, merely by relying on its order in another case where the addition with respect to same creditors were deleted?"

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 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 VIII)

//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 (Appeals)-I,
   Coimbatore.

3. The Income Tax Officer, Ward-I(3), Erode.

+1cc to M/s.T.R.Senthil Kumar, Advocate, S.R.No.31295

T.C.A.No.873 of 2014

GP(CO)
BE(28/07/2021)