



* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ **ITA No.89/2008**

% **Decided on: 20th February, 2007**

Commissioner of Income Tax
Delhi Central III
E-2, ARA Centre,
Jhandewalan Extn.
New Delhi

....Appellant

Through: Mr. R.D.Jolly, Adv.

versus

U.P.DISTILLERS ASSOCIATION
PHD House, Opp. Games Village
New Delhi

..... Respondent

Through

Coram:

HON'BLE MR. JUSTICE MADAN B. LOKUR
HON'BLE MR. JUSTICE V.B. GUPTA

1. Whether the Reporters of local papers may be allowed to see the judgment?
2. To be referred to Reporter or not?
3. Whether the judgment should be reported in the Digest?

MADAN B. LOKUR, J (Oral)

The Revenue is aggrieved by an order dated 5th April, 2007



passed by the Income Tax Appellate Tribunal, Delhi Bench SMC in ITA No.573/Del/2005 relevant for the Assessment Year 2001-02 and ITA No.3863/Del/2005 relevant for the Assessment Year 2002-03.

2. At the outset, it has been mentioned by learned counsel for the Revenue that the tax effect in respect of both these years together is Rs.2,08,742/-. We find that this amount is not particularly significant keeping in mind Instruction No.2 dated 24th October, 2005 issued by the Central Board of Direct Taxes. It has been mentioned in the instruction that ordinarily appeals under Section 260A of the Income Tax Act, 1961 should not be filed in the High Court where the tax effect is less than Rs.4 lacs.

3. Learned counsel for the Revenue submits that since the matter is of a recurring nature, having arisen in two years, the monetary limit will not apply. As we have already noted above since the tax effect in both the years is less than Rs. 4 lacs, the argument advanced by learned counsel for the Revenue is not acceptable. Theoretically, it is possible that in a given case the tax effect for 5 years may be Rs.5/- per year but that is no ground for interference under Section 260A of the Income Tax Act. Merely because the issue is of a recurring nature is not the



only criterion to be adopted. The Court has to see not only whether the matter is of a recurring nature but also whether a sufficient amount is involved.

4. In this case, as we have already noted, in both the years together the tax effect is hardly about Rs.2,08,742/-. Under the circumstances, we decline to entertain this appeal and are of the view that no substantial question of law arises for consideration.

5. Dismissed.

Madan Lokur
MADAN B. LOKUR, J

V.B. Gupta
V.B. GUPTA, J

20th February, 2008
rs