

SC-Circular specifying monetary limit for appeal filing should not be applied ipso facto, when the matter has a cascading effect

CIT vs. Surya Herbal Ltd (Supreme Court) - Liberty is given to the Department to move the High Court pointing out that the Circular dated 9th February, 2011, should not be applied ipso facto, particularly, when the matter has a cascading effect. There are cases under the Income – Tax Act, 1961, in which a common principle may be involved in subsequent group of matters or large number of matters. In our view, in such cases if attention of the High Court is drawn, the High Court will not apply the Circular ipso facto. For that purpose, liberty is granted to the Department to move the High Court in two weeks. The special leave petition is, accordingly, disposed of.

**SUPREME COURT OF INDIA
RECORD OF PROCEEDINGS
Petition(s) for Special Leave to Appeal (Civil).. /2011
(CC 13694/2011)**

**(From the judgement and order(s) in dated 21/02/2011 in ITA No.379/2011 of The
HIGH COURT OF DELHI AT N. DELHI)**

C.I.T CENTRAL-III VERSUS SURYA HERBAL LTD.
(With appln(s) for c/delay in filing SLP)

Date: 29/08/2011 This Petition was called on for hearing today.

UPON hearing counsel the Court made the following

O R D E R

Delay condoned.

Liberty is given to the Department to move the High Court pointing out that the Circular dated 9th February, 2011, should not be applied ipso facto, particularly, when the matter has a cascading effect. There are cases under the Income – Tax Act, 1961, in which a common principle may be involved in subsequent group of matters or large number of matters. In our view, in such cases if attention of the High Court is drawn, the High Court will not apply the Circular ipso facto. For that purpose, liberty is granted to the Department to move the High Court in two weeks. The special leave petition is, accordingly, disposed of.

[Alka Dudeja] [Madhu Saxena]

A.R.-cum-P.S. Assistant Registrar