IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 26.11.2018

CORAM:

THE HON'BLE DR. JUSTICE VINEET KOTHARI
and
THE HON'BLE DR. JUSTICE ANITA SUMANTH

T.C.(A).Nos.786 and 787 of 2009

The Commissioner of Income Tax-II,
Coimbatore. .. Appellant in both TCAs.

Vs

M/s. Premier Instrument & Controls
(PRICOL) Limited,
1087-A Avinashi Road,
Coimbatore-641 037
(PAN AABCP2380CF) .. Respondent in both TCAs.

Prayer : Tax Case (Appeals) are filed under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Chennai 'A' Bench, dated 02.12.2008 passed in ITA No.446 and 447/Mds/2007 and ITA No.447/Mds/2007, as against the Commissioner of Income Tax (Appeals)-1, Coimbatore, made in ITA Nos.450 & 451 of 2005-2006 as against the orders of the Assistant Commissioner of Income Tax, Company Circle IV(1), Coimbatore for the Assessment Year 2002-2003 and 2003 & 2004.

For Appellant : Mr.T.R.Senthilkumar

For Respondent : No appearance

COMMON JUDGMENT

(Judgment of the Court was delivered by

DR.VINEET KOTHARI, J.)

Heard the learned Counsel for the appellant.

2. The Revenue preferred these appeals challenging the orders passed by the Income Tax Appellate Tribunal in ITA No.446/Mds/2007 and ITA No.447/Mds/2007 for the assessment years 2002-2003 and 2003-2004 respectively.

3. The above appeals have been admitted on 29.09.2009 on the following substantial question of law :

> "i. Whether on the facts and circumstances of the case the appellate Tribunal was right in law in holding that the interest under Section 234-D cannot be levied for the period prior to 1.6.2003 is valid?''

4. It may not be necessary for us to answer the above substantial question of law, as the monetary limits in these appeals are lesser than the amount fixed by the circular instructions issued by the Central Board of Direct Taxes in Circular No.3/2018 dated 11.07.2018. The said circular covers the issue regarding chargeability of interest also. In paragraph 4 of the said Circular, it has been stated that in case the chargeability of interest is the issue under dispute, the amount interested shall be the tax effect. Since the quantum of interest charged under Section 234-D of the Income Tax Act in the present cases are less than Rs.50,00,000/- as stated in Circular No.3/2018 dated 11.07.2018, the Writ Appeals are liable to be dismissed.

5. Accordingly, the present appeals are dismissed. No costs. The substantial question of law is left open for consideration in an appropriate case.

Sd/-
Assistant Registrar(CS IV)

//True Copy//

Sub Assistant Registrar

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To

1.Commissioner of Income Tax-II,
Coimbatore.

2.The Income Tax Appellate Tribunal Bench A,
Chennai.

3.The Assistant Commissioner of Income Tax Company Circle IV(1),
Coimbatore.

4.The Commissioner of Income Tax (Appeals)I
Coimbatore.

+1cc to Mr.T.R.Senthilkumar, Advocate Sr.80764

cnr[co]
srg 24/12/2018