IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 24.07.2018

CORAM :

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM
and
THE HONOURABLE MRS.JUSTICE V.BHAVANI SUBBAROYAN

Tax Case Appeal No.395 of 2018

The Commissioner of Income Tax,
Chennai. ... Appellant/Appellant

-vs-

Shri Uppili Balaji,
2A, KG Towers, 30, Bypass Road,
Velacherry, Chennai-600 042.
PAN: ABNPB0585H. ... Respondent/Complainant

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal Madras 'C' Bench, dated 02.12.2016 in ITA No.949/Mds/2016 for the assessment year 2011-12, filed against the order dated 12.01.2016 made in I.T.A. No.112/CIT(A)-15/14-15 by the Commissioner of Income Tax (Appeals) filed agaisnt the order deated 30.07/2014, made in PAN.No.ABNPB05854 passed by the Assistant Commissioner of Income Tax, Salary Circle-VI Chennai against the assessment order dated 29.01.2014 by the Assistant Commissioner of Income Tax.

For Appellant : Mr.T.R.Senthil Kumar,
Senior Standing Counsel
: assisted by Mr.S.Rajesh,
Senior Standing Counsle &
: M/s.K.G.Usha Rani,
Junior Standing Counsel

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J U D G M E N T
[Delivered by T.S.Sivagnanam, J.]

Heard Mr.T.R.Senthil Kumar, learned Senior Standing Counsel assisted by Mr.S.Rajesh, learned Senior Standing Counsel and M/s.K.G.Usha Rani, learned Junior Standing Counsel for the Revenue.

2.This appeal has been filed by the Revenue raising the following substantial questions of law:-

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"1.Whether under the facts and circumstances of the case and in law, the Tribunal was right in holding that the penalty u/s.271(1)(c) cannot be levied on the assessee on the ground that the salary income of Rs.90,90,394/- was omitted in the return of income by the assessee due to inadvertent bonafide mistake?

2.Whether under the facts and circumstances of the case and in law, the Tribunal was right in deleting the penalty when the assessee had filed the revised statement of income admitting escapement only after the assessing officer had pointed out the non-disclosure of income during the course of assessment proceedings?

3.Whether under the facts and circumstances of the case and in law, the Tribunal was justified in relying upon the Apex Court's decision in the case of Pricewaterhouse & Coopers Pvt. Ltd. (348 ITR 306) which is distinguishable on facts of the present case?"

3.Before we proceed to consider the substantial questions of law raised in this appeal, we have to first take note of the fact that the tax effect in the present appeal relevant for the assessment year 2011-12 is less than the threshold limit. In the case of Commissioner of Income Tax vs. N.Meenakshisundaram [Tax Case (Appeal) Nos.868 and 869 of 2008; Dated 23.04.2018], this Court had an occasion to consider various circulars issued by the Central Board of Direct Taxes (CBDT) as regards the threshold limits fixed for filing the appeals by the Revenue or pursue the appeals, which are pending from 2008 onwards.

4.Further, it is relevant to note that by Circular No.3/2018, dated 11.07.2018, monetary limit has further been increased and appeals be maintainable before the High Courts. It has been increased to Rs.50,00,000/-. Hence, viewed from any angle, this appeal could not be pursued by the revenue

5.Thus, by applying the above Circular issued by the CBDT, this appeal ought not to have been pursued by the Revenue and hence, for that reason, this tax case appeal is dismissed and the substantial questions of law, framed for consideration, are left open. No costs.

Sd/-
Assistant Registrar(CCC)

//True Copy//

Sub Assistant Registrar

abr

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To

1.The Income Tax Appellate Tribunal Madras 'C' Bench.

2.The Commissioner of Income Tax, (Salary Circle)
Chennai.

3.The Commissioner of Income Tax (Appeals)-15,
Chennai.

4.The Assistant Commissioner of Incoem Tax,
Salary Circle VI, Chennai.

5.The Assistant Commssioner of Income Tax,
Non Corporate Circle, Chennai 34.

+ 1 cc to Mr. T.R. Senthilkumar, Advocate Sr.50093

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