IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 01.03.2019

CORAM:

THE HON'BLE DR. JUSTICE VINEET KOTHARI
and
THE HON'BLE MR. JUSTICE C.V.KARTHIKEYAN

T.C.(A).No.473 of 2009

The Commissioner of Income-Tax-I,
Coimbatore. .. Appellant/Appellant

Vs

M/s.Elgi Tread (India) Ltd.,
2000 Trichy Road,
Coimbatore-641 045 .. Respondent/Respondent

Prayer : Tax Case (Appeal) is filed under Section 260-A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Chennai 'A' Bench, dated 24.11.2008 passed in I.T.A. No.1974/Mds/2007 for the assessment year 1997-98, and against the order of the Commissioner of Income Tax (Appeals)I, Coimbatore dated 04/06/2007, Appeal No.394/06-07, and against the order of the Assistant Coimbatore of Income Tax, Income Tax Department, Coimbatore, dated 29.12.2006, PAN/GIR No.AAACE4565F.

For Appellant : Mr.T.R.Senthilkumar
Assisted by K.G.Usha Rani

Sr.Standing counsel
For Respondent : Mr.M.P.Senthikumar

J U D G M E N T

(Judgment of the Court was delivered by DR.VINEET KOTHARI, J.)

Heard the learned Counsel for the appellant.

2. The Revenue has preferred this appeal challenging the order passed by the Income Tax Appellate Tribunal Chennai 'A' Bench, dated 24.11.2008 passed in ITA No.1974/Mds/2007 for the Assessment Year 1997-98.

3. The above appeal has been admitted on 30.06.2009 on the following substantial question of law :

"Whether on the facts and in the 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 limit in this appeal is 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 case is being Rs.13,61,223/- which is less than Rs.50,00,000/- as stated in Circular No.3/2018 dated 11.07.2018, the Tax Case (Appeal) is liable to be dismissed.

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

Sd/-
Assistant Registrar(CCC)

//True copy//

Sub Assistant Registrar

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To

1. The Income Tax Appellate Tribunal, Chennai 'A' Bench

2. The Commissioner of Income Tax, (Appeals) I, Coimbatore.

3. The Commissioner of Income Tax Income Tax Department, Coimbatore.

+1cc to Mr.T.R.Senthilkumar, Advocate SR.No.19752

+1cc to Mr.Philip George, Advocate SR.No.19823

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BR(CO)
GMY(02/04/2019)