IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 19.8.2019

Coram :

The Honourable Mr.Justice T.S.SIVAGNANAM
and
The Honourable Mrs.Justice V.BHAVANI SUBBAROYAN

Tax Case Appeal Nos.1076 & 1077 of 2010 & MP.No.1 of 2010

The Commissioner of Income
Tax, Central-III, Chennai ...Appellant

Vs

Shri.K.Subramaniam ...Respondent

APPEALS under Section 260A of the Income Tax Act, 1961 against the common order dated 05.2.2010 made in ITA.Nos.54 and 55/Mds/2008 on the file of the Income Tax Appellate Tribunal, Chennai 'A' Bench for the assessment years 2000-01 and 2002-03, against the order of the Commissioner of Income Tax (Appeals) in ITA.No.40C/2008-09 & ITA.No.42C/2008-09 dated 14.10.2008 as against the proceedings of Deputy Commissioner of Income Tax, Central Circle -III, Coimbatore for the assessment years 2000-01 and 2002-03 dated 23.06.2008 as against the Assessment order of the Deputy Commissioner of Income Tax Central Circle -III, Coimbatore, dated 26.12.2007.

For Appellant : Mr.Karthik Ranganathan, SSC
For Respondent : Mr.G.Baskar

COMMON JUDGMENT
(Judgment was delivered by T.S.Sivagnanam,J)

We have heard Mr.Karthik Ranganathan, learned Senior Standing Counsel appearing for the appellant - Revenue and Mr.G.Baskar, learned counsel appearing for the respondent - assessee.

2. These appeals, filed by the Revenue under Section 260A of the Income Tax Act, 1961, are directed against the common order dated 05.2.2010 made in ITA.Nos.54 and 55/Mds/2009 on the file of the Income Tax Appellate Tribunal, Chennai 'A' Bench for the assessment years 2000-01 and 2002-03.

3. The appeals were admitted on 21.12.2010 on the following substantial question of law :

> *"Whether, on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in holding that*

the reason for delay in filing the appeal given by the assessee that he was under the bona fide belief that no penalty under Section 271(1)(c) would be levied and decided to file the appeal only after the penalty was levied even though there was nothing on record to justify the entertainment of such a belief and setting aside the order of the Commissioner of Income Tax (Appeals) to decide the appeal on merits ?"

4. The learned Senior Standing Counsel for the appellant submits that the above appeals are not pursued by the Revenue on account of the low tax effect in terms of Circular No.17/2019 dated 08.8.2019 issued by the Central Board of Direct Taxes. By the said Circular, the monetary limit for filing or pursuing an appeal before the High Court has been increased to Rs.1 Crore. It is further submitted that the tax effect in the respective cases is less than the threshold limit.

5. In the light of the said submissions, the above tax case appeals are dismissed on account of the low tax effect. The substantial question of law framed is left open. In the event the tax effect in the respective cases is above the threshold limit fixed in the said circular, liberty is granted to the Revenue to make a mention to this Court to restore the appeals to be heard and decided on merits. Consequently, the connected MP is also dismissed. No costs.

Sd/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

To
1.The Registrar,Income Tax Appellate Tribunal, Chennai 'A' Bench.
2.The Commissioner of Income Tax (Appeals)-II,Coimbatore.
3.The Deputy Commissioner of Income Tax,Central Circle-III, Coimbatore.

+1 cc to M/s.G.Baskar,Advocate Sr.No. 71030
+1 cc to Mr.R.Senthil Kumar, Advocate Sr.No.70465

AKM/16.10.19/2P-6C /

TCA.Nos.1076 & 1077 of 2010 & MP.No.1 of 2010