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.673 to 675 of 2010

Commissioner of Income Tax-I, Coimbatore ...Appellant in all the TCAs

Vs

M/s.Sri Shankar Traders, Coimbatore ...Respondent in TCA.673/2010
M/s.Murugan Exports, Coimbatore ...Respondent in TCA.674/2010

Shri.Super Cloth, Coimbatore ...Respondent in TCA.675/2010

APPEALS under Section 260A of the Income Tax Act, 1961 against the common order dated 09.10.2009 made in IT(SS)A.Nos.57 to 59/Mds/2007 on the file of the Income Tax Appellate Tribunal, Chennai 'A' Bench for the block assessment period 1991-92 to 2001-02 against the order of the Commissioner of Income Tax (Appeals) -II, Coimbatore order dated 27/12/2006 made IT Appeal Nos.324-C/06-07, 325-C/06-07 and 323-C/06-07 and against the order of the Deputy Commissioner of Income Tax, Central Circle -III, Coimbatore order dated 28.09.2008 made in PAN.No.AAEFS6963J, AACFM0928K/Cen.III/CBE and AAEFS6962K/Cen-III/CBE respectively for the Block period 1991-92 to 2001-02.

For Appellant : Mr.T.R.Senthilkumar, SSC assisted by Ms.K.G.Usharani, SC

For Respondents : Mr.A.S.Sriraman

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

We have heard Mr.T.R.Senthilkumar, learned Senior Standing Counsel assisted by Ms.K.G.Usharani, learned Standing Counsel appearing for the appellant - Revenue and Mr.A.S.Sriraman, learned counsel for the respondents - assessees.

2. These appeals, filed by the Revenue under Section 260A of the Income Tax Act, 1961, are directed against the common order

dated 09.10.2009 made in IT(SS)A.Nos.57 to 59/Mds/2007 on the file of the Income Tax Appellate Tribunal, Chennai 'A' Bench for the block assessment period 1991-92 to 2001-02.

3. The appeals were admitted on 26.7.2010 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 law in deleting the penalty levied by the Assessing Officer under Section 158BFA(2), even though the assessee himself admitted bogus credit by way of bogus purchases in M/s.Super Cloth, M/s.Shankar Traders and M/s.Murugan Traders is valid ?"

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. No costs.

Sd/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

To
1.The 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.T.R.Senthil Kumar,Advocate Sr.No. 70468

AKM/27.09.19/2P-5C /

TCA.Nos.673 to 675 of 2010