In the High Court of Judicature at Madras

Dated : 20.8.2019

Coram :

The Honourable Mr.Justice T.S.SIVAGNANAM

and

The Honourable Mrs.Justice V.BHAVANI SUBBAROYAN

Tax Case Appeal No.139 of 2011

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

Vs

M/s.Sri Sakthimyil Finance, Namakkal ...Respondent/Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 20.2.2007 made in ITA.No.1967/Mds/2003 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench for the assessment year 1997-98.

Against the order of the Commissioner of Income Tax (Appeals), Salem made in ITA.No. 161/2000-01, order dated 31.01.2003 against the order of the Deputy Commissioner of Inccome Tax, Circle I (), Salem-7, made in PAN/GIR.No.S-1362, order dated 31.03.2000 for the assessment year 1997-98.

For Appellant: Ms.S.Premalatha, SC
For Respondent: Mr.A.S.Sriraman

Judgment was delivered by T.S.Sivagnanam,J

We have heard Ms.S.Premalatha, learned Standing Counsel appearing for the appellant - Revenue and Mr.A.S.Sriraman, learned counsel appearing for the respondent - assessee.

2. This appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 is directed against the order dated 20.2.2007 made in ITA.No. 1967/Mds/2003 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench for the assessment year 1997-98.

3. The appeal was admitted on 05.4.2011 on the following substantial questions of law :

"i. Whether, on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal is right in holding that penalty was not leviable under Section 271 (1)(c) to an extent of Rs.6,70,000/- ? and

ii. Whether, on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal is right in law in not considering the fact that there cannot be any estoppel against the Statute and penalty is leviable when there is concealment of income ?"

4. The learned Senior Standing Counsel for the appellant submits that the above appeal is 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 this case is less than the threshold limit.

5. In the light of the said submissions, the above tax case appeal is dismissed on account of the low tax effect. The substantial questions of law framed are left open. In the event the tax effect 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 appeal to be heard and decided on merits. No costs.

Sd/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

RS

To

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

2.The Commissioner of Income Tax Appeals II,
Chennai 34.

3.The Deputy Commissioner of Income Tax
Central Circle II (I),
Chennai 34.

4.The Commissioner of Income Tax,
Salem.

+1cc to Mr.S.Sridhar, Advocate, S.R.No. 70614
+1cc to Mr.M.Swaminathan, Advocate, S.R.No. 70579

RR(CO)
GN(14/12/2020)