In the High Court of Judicature at Madras

Dated : 27.08.2019

Coram :

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

Tax Case Appeal No.232 of 2015

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

Vs

M/s.Transworld Garnet India Pvt. Ltd.,
34/46, M.G.R. Road,
Kalashetra Colony, Besant Nagar,
Chennai - 600 090. ...Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 24.10.2013 made in ITA.No.1353/MDS/2013 on the file of the Income Tax Appellate Tribunal, Chennai 'C' Bench for the assessment year 2006-07 and against the order dated 06/03/2013 passed by the Commissioner of Income tax(appeals) Trichy, in ITA.No.46/2009-2010 for the assessment year 2006-2007 and as against the order dated 26/06/2009 of the Deputy Commissioner of Income tax, Company Circle III(2) fr the Assessment year 2006-07.

For Appellant : Mr.M.Swaminathan, SSC
and Ms.V.Pushpa, SC
For Respondent : Mr.Srinath Sridevan

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

We have heard Mr.M.Swaminathan, learned Senior Standing Counsel, and Ms.V.Pushpa, learned Standing Counsel appearing for the appellant/revenue and Mr.Srinath Sridevan, 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 24.10.2013 made in ITA.No.1353/MDS/2013 on the file of the

Income Tax Appellate Tribunal, Chennai 'C' Bench for the assessment year 2006-07.

3.The appeal was admitted on 02.06.2015 on the following substantial question of law :

> "Whether on the facts and in the circumstances of the case, the Appellate Tribunal was right in upholding the orders of CIT(A) who deleted the penalty imposed under Section 271G of the Income Tax Act especially when the assessee has violated Section 92D read with Rule 10B(g) of the Income Tax Rules?"

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 question of law framed is 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/-
Asst.Registrar (CO)

/true copy/

Sub Asst. Registrar

cse

To
1.The Deputy Commissioner of Income Tax,
Company Circle III (2)
Chennai-34

2.The Income Tax Appellate Tribunal,
Chennai 'C' Bench.

+1 cc to Mr.M.Swaminathan Advocate sr73566

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aa04/11/2019