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.297 of 2015

Commissioner of Income Tax,
Chennai. ...Appellant

Vs

R.Natesan ...Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 19.12.2014 made in ITA.No.75/MDS/2014 on the file of the Income Tax Appellate Tribunal, Chennai 'B' Bench for the assessment year 2009-10 and against the o/o Commissioner of Income Tax (Appeals)VI, Chennai 34 and made in I.T.A. No. 1564/13-14/A-VI dated 14.11.2013 and against the O/o Income Tax Business Ward XV(4) Chennai 34 and made in PAN. ACFON2871D dated 29.06.2012.

For Appellant : Mr.T.Ravikumar, SSC
For Respondent: Not Ready Notice

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

We have heard Mr.T.Ravikumar, learned Senior Standing Counsel appearing for the appellant/revenue.

2.This appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 is directed against the order dated 19.12.2014 made in ITA.No.75/MDS/2014 on the file of the Income Tax Appellate Tribunal, Chennai 'B' Bench for the assessment year 2009-10.

3.The appeal was admitted on 07.07.2015 on the following substantial questions of law :

> “i) Whether on the facts and in the circumstances of the case, the Appellate Tribunal was right in deleting penalty levied under Section 271(1)(c) of the Income Tax Act on the ground of

reasonable cause for filing inaccurate particulars of income when the provisions of the Act does not provide immunity from penalty on account of reasonable cause?

ii) Is not the finding the Tribunal that there was reasonable cause for failure on the part of the assessee wrong in the light of the categorical finding of the assessing authority that the assessee's explanation was false and incorrect and that the assessee's default came to light only due to the case being selected for scrutiny and AIR information regarding sale of property by the assessee?

iii) Is not the order of the Tribunal deleting penalty on ground of reasonable cause perverse when the Supreme Court has in the case of Dharmendra Textile Processors reported in 306 ITR 277 held that penalty under Section 271(1)(c) is a civil liability and willful concealment is not an essential ingredient for attracting the same?"

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.

s/d-
Assistant Registrar(CS VIII)

True Copy

Sub-Assistant Registrar

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To
1.The Income Tax Appellate Tribunal, Chennai 'B' Bench.

2.The Commissioner of Income Tax
(Appeals)VI, Chennai 34.

3.The Income Tax Officer
Business Ward XV(4)
Chennai 34.

+1 CC to Mr.T.Ravikumar, Advocate sr 73324.

TCA.No.297 of 2015

RR(CO)
SP(07/11/2019)