IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 21.8.2019

CORAM :

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM
AND
THE HONOURABLE MRS.JUSTICE V.BHAVANI SUBBAROYAN

TAX CASE APPEAL NO.20 OF 2013

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

Vs

M/s.M.M.Forging Ltd., Chennai-32. ...Respondent/Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 14.6.2012 made in ITA.No.595/Mds/2012 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench for the assessment year 2007-08 against the Appellate order passed by the Commissioner of Income Tax (A) Chennai dated 23.12.2011 made in CIT(A)-V/ITA. No. 98/2012-2012 against penalty order passed by the Assistant Commissioner of Income Tax, Company Circle IV(3) Chennai dated 29.09.2011 made in G.I.No/PAN.No. MM-2/AAACM2164L against the order passed by the Income Tax Appellate Tribunal bench " B" Chennai dated 04.02.2011 made in I.T.A. No. 1554/MDS/2010 against the Assessment order passed by the Additional Commissioner of Income Tax Company Range IV, Chennai dated 29.12.2009 made in PAN. AAACM2164L.

For Appellant : Mr.Karthik Ranganathan, SSC
For Respondent: Mr.M.P.Senthilkumar

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.M.P.Senthilkumar, 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 14.6.2012 made in ITA.No. 595/Mds/2012 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench for the assessment year 2007-08.

3. The appeal was admitted on 25.4.2013 on the following substantial question of law :

> "Whether, under the facts and circumstances of the case, the Income Tax Appellate Tribunal was correct in deleting the penalty imposed by the Assessing Officer on the assessee under Section 271(1)(c) of the Income Tax Act, 1961 ?"

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.

-s/d-
Assistant Registrar(CS-IV)

True Copy

Sub-Assistant Registrar

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

2.The Commissioner of Income Tax (A)
Chennai.

3.The Assistant Commissioner of Income Tax
Company Circle IV(3)
Chennai

4.The Income Tax Appellate Tribunal
Bench " B" Chennai

TCA.No.20 of 2013

EV(CO)
SP(13/11/2019)