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.761 of 2015

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

Vs

M/s.Gem Granites (Karnataka)
#18A, Rajamannar Street, T.Nagar,
Chennai - 600 017.
PAN: AAAFG0514D ...Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 25.03.2015 made in ITA.No.789/MDS/2014 on the file of the Income Tax Appellate Tribunal, Chennai 'A' Bench for the assessment year 1995-96 against the Order of the Commissioner of Income Tax (Appeals) Central -I, Chennai, dated 24.12.13 made in ITA No.147/2013-14 for the Assessment Year 1995-96 against the Order of the Assistant Commissioner of Income Tax (Appeals), Circle I, Chennai , dated 31.01.13 in PAN AAAFG0 5140/1995-96 against the Order of the Commissioner of Income Tax (Appeals)-V, Chennai dated 11.07.12 made in ITA No.586/10-11 for the Assessment Year 1995 - 96 against the Order of the Deputy Commissioner of Income Tax Circle-I, Chennai, dated 20.12.2006 in PA/GINo.21379-G/AAAFG0514 D in the Assessment Year 1995-96.

For Appellant : Mr.T.Ravikumar, SSC
and Ms.R.Hemalatha, SSC

For Respondent : No appearance

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

We have heard Mr.T.Ravikumar, learned Senior Standing Counsel, and Ms.R.Hemalatha, 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 25.03.2015 made in ITA.No.789/MDS/2014 on the file of the Income Tax Appellate Tribunal, Chennai 'A' Bench for the assessment year 1995-96.

3.The appeal was admitted on 15.09.2015 on the following substantial questions of law :

> "(i) Whether on the facts and circumstances of the case, the Tribunal was right in deleting the penalty levied under Section 271(1)(c)? and
>
> (ii) Is not the finding of the Tribunal bad by deleting the penalty levied, as the assessee had filed inaccurate particulars of income without taking into account the provisions of Section 40A (3) of the Income Tax Act"

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.

cse

Sd/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

To

1. The Income Tax Appellate Tribunal, Chennai 'A' Bench, Besant Nagar, Chennai.

2. The Commissioner of Income Tax,Appeals (Central) - I, Chennai - 34.

3. The Commissioner of Income Tax,
(Appeals-VI), Chennai.

4. The Assistant Commissioner of
Income Tax Circle-I, Chennai.

5. The Commissioner of Income Tax,
Chennai.

+1cc to Mr.T.Ravi Kumar, Advocate, SR.No.73344

TCA.No.761 of 2015

Kak(07/11/2019)