In the High Court of Judicature at Madras

Dated : 30.8.2019

Coram :

The Honourable Mr.Justice T.S.SIVAGNANAM

and

The Honourable Mrs.Justice V.BHAVANI SUBBAROYAN

Tax Case Appeal No.583 of 2016

The Principal Commissioner of
Income Tax, Central I, Chennai ...Appellant/Appellant

Vs

M/s.Jaya Educational Trust,
Thiruninravur-602024. ...Respondent/Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 22.1.2016 made in ITA.No.1359/Mds/2012 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench for the assessment year 2007-08 against the order of the Commissioner of Income Tax (Appeals)-I dated 30.03.2012 and made in ITA.No.84-09-10 and against the order of the Assistant Commissioner of Income Tax, Chennai dated 29.12.2008 for the assessment year 2007-2008.

For Appellant:Mr.T.R.Senthilkumar, SSC assisted by
Ms.K.G.Usharani, SC
For Respondent:Mr.A.S.Sriraman for Mr.S.Sridhar

Judgment was delivered by T.S.Sivagnanam,J

We have heard Mr.T.R.Senthilkumar, learned Senior Standing Counsel assisted by Ms.K.G.Usharani, 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 22.1.2016 made in ITA.No. 1359/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 07.12.2016 on the following substantial questions of law :

> "i. Whether the Income Tax Appellate Tribunal was justified in holding that there was a reasonable cause within the meaning of Section 273B for not disclosing the income in the original return and consequently in granting relief based on such assumed presumption ? and
>
> ii. Whether the Income Tax Appellate Tribunal is correct in not considering the fact that there is non compliance within the provisions of Explanation 5(b)(2) to Section 271(1)(c) and therefore, the assessee is liable for penalty under the provisions of that Section ?"

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/-
Asst.Registrar (CS III)

/true copy/

Sub Asst. Registrar

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

2.The Commissioner of Income Tax (Appeals)-2
46, Mahatma Gandhi Road, Nungambakkam
Chennai-600 034

3. The Assistant Commissioner of Income Tax
Central Circle-I(2)
Chennai-600 034

+1 cc to Mr.S.Sridhar Advocate sr 76088
+1 cc to Mr.T.R.Senthil kumar Advocate sr75709

mp(co)
aa11/11/2019