IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 26.08.2019

CORAM

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

Tax Case Appeal Nos.937 and 938 of 2014

Commissioner of Income Tax,
Trichy. .. Appellant in both Appeals

-vs-

M/s.Iskraemeco Regent Limited,
(Now known as Simco Engineering Limited),
126, K.Sathanoor Road,
Trichy-620 021. .. Respondent in both Appeals

APPEALS under Section 260A of the Income Tax Act, 1961 against the common order dated 28.03.2014, made in I.T.A.Nos.1829 & 1915/Mds/2013 on the file of the Income Tax Appellate Tribunal 'C' Bench, Chennai for the assessment year 2004-05, I.T.A.Nos.1829 and 1915/MDS/2013 against the Commissioner of Income Tax(Appeals) No.44, William Road, Cantonment, Tiruchirappali - 620001 in ITA No.18 & 19/12-13/cIT (A)/TRY dated 27/06/2013 in GI No./PA No.AABCI1061P for the Assessment year 2004-2005 against the Assistant Commissioner of Income Tax Company, Circle II, Trichy No.4, William Road, Cantonment, Trichy-620001 in PAN No.AABCI1061P/Coy.II/TRY dated 29/03/2007 for the Assessment year 2004-2005.

For Appellant : Mr.M.Swaminathan,
(In both Appeals) Senior Standing Counsel &
: Ms.V.Pushpa
Standing Counsel

For Respondent : Mr.R.Sankaranarayanan
(In both Appeals)

COMMON JUDGMENT

(Delivered by T.S.Sivagnanam, J.)

These appeals filed by the Revenue under Section 260A of the Income-tax Act, 1961 are directed against the common order dated 28.03.2014, made in I.T.A.Nos.1829 & 1915/Mds/2013 on the file of the Income Tax Appellate Tribunal 'C' Bench, Chennai for the assessment year 2004-05.

2.T.C.A.No.937 of 2014 was admitted on 19.01.2016, on the following substantial question of law:-

> "Whether on the facts and in the circumstances of the case the Tribunal was right in holding that penalty under Section 271AA cannot be levied on the assessee?"

3.T.C.A.No.938 of 2014 has been filed raising the following substantial question of law:-

> "Whether on the facts and in the circumstances of the case the tribunal was right in holding that penalty under Section 271G cannot be levied on the assessee?"

4.Heard Mr.M.Swaminathan, learned Senior Standing Counsel and Ms.V.Pushpa, learned Standing Counsel for the appellant – and Mr.R.Sankaranarayanan, learned counsel for the respondent.

5.The learned Senior Standing Counsel for the appellant submits that the above appeals are not pursued by the Revenue on account of the low tax effect in terms of Circular No.17/2019, dated 08.08.2019 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.

6.In the light of the said submissions, the above tax case appeals are 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 appeals to be heard and decided on merits. No costs.

Sd/-
Assistant Registrar(CS-VI)

//True copy//

Sub Assistant Registrar

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To

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

2. The Commissioner of Income tax (Appeals)
No.44, Williams Road, Cantonment,
Tiruchirapalli -620 001

3. The Assistant Commissioner of Income Tax,
Company Circle II, Trichy.

T.C.A.Nos.937 and 938 of 2014

RJI(CO)
GMY(01/11/2019)