IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 17.06.2020

Coram :

The Honourable Mr.Justice T.S.SIVAGNANAM
and
The Honourable Mrs.Justice PUSHPA SATHYANARAYANA

Tax Case Appeal No.1120 of 2015

Commissioner of Income Tax,
No.63, Race Course Road,
Coimbatore. ...Appellant/Respondent

Vs

M/s.Craftsman Automation (P) Ltd.,
15, LML Colony,
Ammankulam Road,
Coimbatore-641 037.
PAN: AAB CC 2461 K ...Respondent/Appellant

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 17.04.2015 made in ITA No.2191/Mds/2010 on the file of the Income Tax Appellate Tribunal 'A' Bench, Chennai for the assessment year 2006-07, against the order dated 31.3.2009 made in PAN.No.AABCC2461K/2006-07 on the Additional Commissioner of Income Tax, Range IV, Coimbatore and the order dated 29-11-2010, made in IT Appeal No.13c/200-10. On the file of Commissioner of Income Tax,(Appeals)-I, Coimbatore.

For Appellant:Mr.T.R.Senthil Kumar,
Senior Standing Counsel
assisted by Ms.K.G.Usha Rani,
Junior Standing Counsel

Respondent :Mr.A.S.Sriraman

Judgment was delivered by T.S.Sivagnanam,J

We have heard Mr.T.R.Senthil Kumar, learned Senior Standing Counsel assisted by Ms.K.G.Usha Rani, learned Junior Standing Counsel appearing for the appellant-Revenue and Mr.A.S.Sriraman, learned counsel 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 17.04.2015 made in ITA No.2191/Mds/2010 on the file of the Income Tax Appellate Tribunal 'A' Bench, Chennai for the assessment year 2006-07.

3. The appeal was admitted on 25.11.2015 on the following substantial questions of law :

> "1. Whether, on the facts and in the circumstances of the case, the Appellate Tribunal was right in cancelling penalty levied under Section 271(1)(c) of the Income Tax Act, when the assessee furnished inaccurate particulars and claimed deduction under Section 80JJAA when the assessee is not eligible for the same?
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> 2. Whether, on the facts and in the circumstances of the case, the Appellate Tribunal was right in law in cancelling penalty levied under Section 271(1)(c) when the Appellate Tribunal in its quantum order confirmed that the assessee is not eligible for deduction under Section 80JJAA 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.

Sd/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

abr

To

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

2.The Commissioner of Income Tax(Appeals)1,
Coimbatore.

3.The Additional Commissioner of Income Tax,
Range IV, Coimbatore.

RLD(CO)
CB(25/09/2020)