IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 04.06.2020

CORAM

THE HON'BLE DR.JUSTICE VINEET KOTHARI
AND
THE HON'BLE MR.JUSTICE R.SURESH KUMAR

Tax Case (Appeal) No.820 of 2013

The Commissioner of Income
Coimbatore. ... Appellant

Vs.

M/s.Precot Meridian Ltd
'Supreme', 737, Green Fields
Puliakulam Road
Coimbatore-641 045 ... Respondent

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the common order of the Income Tax Appellate Tribunal 'A' Bench, Chennai dated 20.02.2013 in ITA No.1870/Mds/2012 against the order of the Commissioner of Income Tax (Appeals)1 Coimbatore dated 03.09.2012 for the Assessment year 2006-2007 and against the order of the Assistant Commissioner of Income Tax, Company Circle I(2) Coimbatore dated 21.12.2011 PAN/GIR. No. AABCP3038K.

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

For Respondent : Mr.S.Sridhar

J U D G M E N T

(Judgment of the Court was delivered by DR.VINEET KOTHARI,J)

This Tax Case Appeal has been filed by the Revenue calling in question the correctness of the order passed by the Income Tax Appellate Tribunal, 'A' Bench, Chennai, by raising the following substantial questions of law:

" 1. Whether under the facts and circumstances of the case, the Income Tax Appellate Tribunal was right in holding that for charging of interest under the provisions of Section 220(2) the period for reckoning of interest has to be taken from the date of passing of the fresh assessment order?

2. Whether based on material available before it, the Income Tax Appellate Tribunal was right in law in not accepting the fact that where the assessment made originally by the assessing officer is either varied or even set aside by the appellate authority but on further appeal, the original order is restored either in part or in full, interest is payable under Section 220(2) is required to be computed with reference to the due date reckoned from the original demand notice and the quantum of which the tax is payable is to be reckoned with reference to the tax finally determined?

3. Whether under the facts and circumstances of the case, the Income Tax Appellate Tribunal was right in law in not considering the circular issued by the Central Board of Direct Taxes with reference to charging of interest under Section 220(2) where assessment is set aside / cancelled and determined through an order giving effect to the appellate order?"

2. When the matter was taken up for hearing, the learned Standing Counsel brought to our notice the Circular instruction issued by the Central Board of Direct Taxes vide Circular No.17/2019 dated 8th August 2019, wherein, it is stipulated that appeals shall not be filed/pursued by the Department before the High Court in cases where the tax effect does not exceed Rs.1,00,00,000/- (Rupees One Crore).

3. In the instant case, the tax effect is said to be less than the monetary limit imposed and therefore, the appeal filed by the Revenue is dismissed as not pressed, keeping open the substantial questions of law for determination in an appropriate case.

s/d-
Assistant Registrar

True Copy

Sub-Assistant Registrar

KST
To

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

2. The Commissioner of Income Tax Coimbatore

3. The Assistant Commissioner of Income Tax
Circle-1(2) Coimbatore

T.C.(A) No.820 of 2013

MP(CO)
SP(29/07/2020)