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.461 OF 2014

Commissioner of Income Tax,
Central Circle II (2),
Chennai-34. ...Appellant/Appellant

Vs

M/s.Annai Builders Real Estate Pvt. Ltd.,
No.76, Medavakkam Main Road,
Madipakkam, Chennai-600 091.
PAN: AADCA6643H ...Respondent/Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 30.08.2013 made in I.T.A.No.270/Mds/2013 on the file of the Income Tax Appellate Tribunal 'B' Bench, Chennai for the assessment year 2006-07 against the order of the Commissioner of Income Tax(Appeals)-II, No.46, (Old No.108) Mahatma Gandhi Road, Chennai-34 made in ITA.No.53/11-12/A11 dated 27.11.2012 for the Assessment Year 2006-07 against the order of Assistant Commissioner of Income Tax, Central Circle II (2), Chennai - 34 made in PA.No./G.I.No.AADCA6643H dated 31.12.2010 for the Assessment Year 2006-2007.

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

For 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 30.08.2013 made in I.T.A.No.270/Mds/2013 on the file of the Income Tax Appellate Tribunal 'B' Bench, Chennai for the assessment year 2006-07.

3. The appeal was admitted on 16.09.2014 on the following substantial questions of law :

> "1. Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in deleting the penalty levied u/s 271(1)(c) in respect of the additional income offered for assessment in response to notice u/s 153A ignoring the explanation 5A to Section 271(1)(c)?
>
> 2. Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in deleting the penalty u/s 271(1)(c) on the ground that the assessee has surrendered the income voluntarily in good faith?"

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/-
Assistant Registrar(CS IV)

//True Copy//

Sub Assistant Registrar

abr

To

1.The Income Tax Appellate Tribunal 'B' Bench, Chennai.
2.The Commissioner of Income Tax, Central Circle II(2),
Chennai 34
3.The Commissioner of Income Tax, (Appeals)-II,
No.46, Old No.108, Mahatma Gandhi Road, Chennai-34.
4.The Assistant Commissioner of Income Tax,
Central Circle II(2), Chennai 34.
5.The Assistant Registrar, Income Tax Appellate Tribunal,
Chennai.

TCA.No.461 of 2014

AK(CO)
KKV/05/10/2020