IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 06.7.2020

CORAM :

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM

AND

THE HONOURABLE MRS.JUSTICE V.BHAVANI SUBBAROYAN

TAX CASE APPEAL NO.667 OF 2017

Principal Commissioner of Income Tax-2, Coimbatore ...Appellant

Vs

Smt.D.Rajeshwari ...Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 04.4.2017 made in ITA.No.801/Mds/2016 on the file of the Income Tax Appellate Tribunal, Chennai 'C' Bench for the assessment year 2010-11 and against the order of the Commissioner of Income-Tax (Appeals)-2, Coimbatore, dated 30.12.2015 made in ITA No.298/14-15, and against the order of the Income Tax Officer, Ward II(5) Coimbatore, dated 07.11.2014 made in ALPPR0679A for the Assessment year 2010-11,

For Appellant : Mr.T.R.Senthilkumar, SSC & Ms.K.G.Usharani, SC
For Respondent : Mr.N.Vijayaraghavan for M/s.Subbaraya Aiyer Padmanabhan

Judgment was delivered by T.S.Sivagnanam,J

We have heard Mr.T.R.Senthilkumar, learned Senior Standing Counsel and Ms.K.G.Usharani, learned Standing Counsel appearing for the appellant - Revenue and Mr.N.Vijayaraghavan, learned counsel appearing on behalf of M/s.Subbaraya Aiyer Padmanabhan, learned counsel on record for the respondent.

2. This appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 (for short, the Act) is directed against the order dated 04.4.2017 made in ITA.No.801/Mds/2016 on

the file of the Income Tax Appellate Tribunal, Chennai 'C' Bench (for brevity, the Tribunal) for the assessment year 2010-11.

3. The appeal has been admitted on 13.12.2017 on the following substantial questions of law :

> "i. Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in granting exemption to the assessee under Section 54 of the Income Tax Act ? and
>
> ii. Whether the Income Tax Appellate Tribunal was right in interpreting the provisions of Sub-Section (4) of Section 54F of the Income Tax Act and granting exemption to the assessee under Section 54F of the Income Tax Act on the belated return of income filed under Section 139(4) on 31.3.2012 ?"

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

RS

To

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

2.The Principal Commissioner of Income Tax-2,
Coimbatore.

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

4.The Income Tax Officer, Ward II(5),
Coimbatore.

5.The Assistant Registrar,
Income Tax Appellate Tribunal,
Sasthri Bhavan, Besant Nagar,
Chennai.

TCA.No.667 of 2017

BR(CO)
KKV/03/09/2020