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.449 of 2014

Commissioner of Income-tax,
Coimbatore. ...Appellant/Respondent

Vs

M/s.Tussor Machine Tools India P Ltd.,
1/247, Avanashi Road, Muthugoundenpudur,
Neelambur PO, Coimbatore-641 014. ...Respondent/Appellant

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 14.02.2013 made in ITA No.1270/Mds/2012 on the file of the Income Tax Appellate Tribunal 'B' Bench, Chennai for the assessment year 2008-09 against the order of the Commissioner of Income Tax (Appeals)1, Coimbatore dated 03.04.2012 in I.T.A. No. 70/2011-2012 against the order of the Assistant Commissioner of Income Tax, Company Circle 1(1) Coimbatore dated 29.12.2010 and made in P.A. No./GIR No. AACCT165/R

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

For Respondent: Mr.R.Sivaraman

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.R.Sivaraman, 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 14.02.2013 made in ITA No.1270/Mds/2012 on the file of the

Income Tax Appellate Tribunal 'B' Bench, Chennai for the assessment year 2008-09.

3. The appeal was admitted on 12.08.2014 on the following substantial questions of law :

> "1. Whether under the facts and circumstances of the case, the Income Tax Appellate Tribunal was right in deleting the penalty levied under Section 271 AA by applying sub-clause (ii) and (iii) of Section 271 AA.
>
> 2. Whether under the facts and circumstances of the case, the Income Tax Appellate Tribunal was right in holding that though the assessee furnished incorrect information to the assessing officer in respect of international transaction, the penalty should not be levied under Section 271 AA and only Section 271 G should be invoked in such cases.
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> 3. Whether under the facts and circumstances of the case, the Income Tax Appellate Tribunal was right in law in holding that though the assessee has failed to report the international transactions, which it is required to do so, penalty under Section 271 AA should not be levied.
>
> 4. Whether under the facts and circumstances of the case, the Income Tax Appellate Tribunal was right in law in holding that the penalty under Section 271 AA is not leviable since no addition was made in the assessment in respect of international transactions."

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.

s/d-
Assistant Registrar

True Copy

Sub-Assistant Registrar

To

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

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

3.The Assistant Commissioner of Income Tax
Company Circle1(1) Coimbatore

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AD(CO)
SP(04/08/2020)