IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATE: 08.01.2021

CORAM:

THE HON'BLE MR. JUSTICE M.DURAISWAMY
AND
THE HON'BLE MRS.JUSTICE T.V.THAMILSELVI

T.C.A.Nos.1222 & 1223 of 2010

Commissioner of Income Tax,
Salem. ...Appellant in both TCA

Vs.

M/s.Thakadoor Spinning Mills (P) Ltd.,
1C, Ramalinga Chetty Road,
Dharmapuri - 636 701. ...Respondent in both TCA

Appeals preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Chennai, ''C'' Bench, dated 30.04.2010 in ITA.Nos.98/Mds/2009 & 194/Mds/2009 Assessment Year 2004-05 against the Appellate order date 28.11.2008 passed by the Commissioner of Income Tax (Appeals)11 Coimbatore, made in IT Appeal No.157C/2007-08 for the Assessment year 2004-05, against the order date 29.02.2008, passed by the Additional Commissioner of Income Tax Central Range, Coimbatore-18, made in CR No. Penalty /CR/CBE/2007-08 for the Assessment year 2004-05.

For Appellant : Ms.V.Pushpa, Standing Counsel
(in both TCA) for Mr.M.Swaminathan,
Senior Standing Counsel

For Respondent : Ms.Sriniranjani Srinivasan
(in both TCA) for Mr.G.Baskar

सत्यमेव जयते

COMMON JUDGMENT
(Judgment was delivered by T.V.THAMILSELVI, J.)

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We have heard Ms.V.Pushpa, learned Standing Counsel for the appellant - Revenue and Ms.Sriniranjani Srinivasan for the respondent - Assessee.

2.These appeals, filed by the Revenue under Section 260A of the Income Tax Act, 1961 (for short, the Act) are directed against the order dated 30.04.2010 made respectively in ITA.Nos.98/Mds/2009 & 194/Mds/2009 on the file of the Income Tax Appellate Tribunal, Chennai, ''C'' Bench (for brevity, the Tribunal) for the Assessment Year 2004-05.

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3.The appeals were admitted on 14.02.2011 on the following substantial question of law:

> "Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in deleting the penalty u/s 271D of Rs.71,50,000/- levied by the Assessing Officer on the ground that the assessee had made borrowings in case exceeding Rs.20,000/- in violation of Section 269SS, holding that the transactions were genuine even though the assessee had not established any reasonable case within the meaning of Section 273B?"

4.The learned Standing Counsel for the appellant submits that the above appeals are not pursued by the Revenue on account of the Low Tax Effect in terms of Circular No.17/2019 dated 08.08.2019 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 respective cases is less than the threshold limit.

5.In the light of the said submissions, the above Tax Case Appeals are dismissed on account of the Low Tax Effect. The substantial question of law framed is left open. In the event the tax effect in the respective cases 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 appeals to be heard and decided on merits. No costs.

Sd/-
Assistant Registrar

//True Copy//

va
Sub Assistant Registrar

To

1. The Income Tax Appellate Tribunal, Chennai, ''C'' Bench
2. The Commissioner of Income Tax (Appeals)11, Coimbatore.
3. The Additional Commissioner of Income Tax, Central Range, Coimbatore.

+1cc to Mr.G.Baskar, Advocate, S.R.No.1159
+2cc to Mr.M.Swaminathan, Advocate, S.R.No.1430 & 1431

T.C.A.Nos.1222 & 1223 of 2010

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