IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 15.03.2021

CORAM

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

T.C.A.No.781 of 2013

Commissioner of Income Tax,
Chennai. ... Appellant

Vs.

M/s.MFC Industries Ltd.,
(Now known as Mysore Fertilizers
Company Pvt. Ltd.)
338, Thambu Chetty Street,
Chennai - 600 001. ... Respondent

Prayer: Tax Case Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras, "C" Bench, dated 04.07.2013 in I.T.A.No.1556/Mds/2010, Assessment Year 2003-04, preferred against the order of the Commissioner of Income Tax(Appeals)-V, No.121, Mahatma Gandhi Road, Chennai-600 0034 made in ITA.No.14/2010-11, Date:29.06.2010, PAN.No/GIR.No:AAACM2569B, and year of assessment:2003-2004 against the order of the Assistant Commissioner of Income Tax, Company Circle-IV(3), Room No.431, Aayakar Bhavan, Main Building, Nungambakkam, Chennai-600 034 made in PAN.No:AAACM2569B, status: company, Assessment Year:2003-2004 and date of order:30/03/2010 and against the order of the Income Tax Officr(OSD), Company Circle-IV(2), Chennai-34, made in PAN.No/GIR.No.AAACM2569B/MF-1, Ward/Circle/Range:Company Circle-IV(2), Chennai, status:Company, Assessment Year:2003-2004 and date of order:14/03/2006.

For Appellant : Mr.Karthik Ranganathan
Senior Standing Counsel

For Respondent : Mr.R.Venkata Narayanan

JUDGMENT

(Judgment was delivered by M.DURAISWAMY, J.)

We have heard Mr.Karthik Ranganathan, learned Senior Standing Counsel for the appellant/Revenue and Mr.R.Venkata Narayanan, learned counsel for the respondent/assessee.

2.The appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 (for short, the Act) is directed against the order dated 04.07.2013 made in I.T.A.No.1556/Mds/2010 on the file of the Income Tax Appellate Tribunal, Chennai, "C" Bench (for brevity, the Tribunal) for the Assessment Year 2003-04.

3.The appeal was admitted on 21.03.2014 on the following substantial question of law:

> "Whether under the facts and circumstances of the case, the Tribunal was right in holding that the circumstances in the instant case did not warrant levy of penalty under Section 271(1)(c) on the ground that though the claim leading to levy of penalty might have been incorrect but the claim cannot be said to be unfounded?"

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 08.08.2019 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 this case is less than the threshold limit.

5.In the light of the said submissions, the above Tax Case Appeal is dismissed as withdrawn on account of the Low Tax Effect. The substantial question of law framed is left open. In the event the tax effect in this case 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 III)

//True Copy//

Sub Assistant Registrar

mkn

To

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

2.The Commissioner of Income Tax,
Chennai-34.

3.The Assistant Commissioner of Income Tax,
Company Circle-IV(3), Chennai-600 034

4.The Income Tax Officer(OSD),
Company Circle IV(2), Chennai-34.

+1cc to Mr.Subbaraya Aiyar, Advocate, S.R.No.16597

T.C.A.No.781 of 2013

GSM(CO)
KM(22/04/2021)