IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATE: 19.02.2021

CORAM:

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

T.C.A.No.614 of 2014

The Commissioner of Income Tax,
Chennai. ... Appellant/ Appellant

Vs.

M/s.Diebold Systems Pvt. Ltd.,
28/3, 2nd and 3rd Floor,
Montieth Road,
Egmore, Chennai - 600 008. ... Respondent/ Respondent

Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras, "D" Bench, dated 15.03.2012 in I.TA.No.1307/Mds/2011 Assessment Year 2005-06 and against the order passed by the Commissioner of Income Tax Appeals III, Chennai dated 08.04.2011 made in ITA.NO.64/2009-2010/ A III and against the passed by the Assistant Commissioner of Income Tax Company Circle I (4),Chennai dated 30.06.2009 reference No.AAACD3206C/PENALTY/2005-06.

For Appellant : Mr.T.Ravikumar,
Senior Standing Counsel

For Respondent : Ms.Sriniranjani

JUDGMENT

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

We have heard Mr.T.Ravi Kumar, learned Senior Standing Counsel for the appellant/Revenue and Ms.Sriniranjani, 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) are directed against the order dated 15.03.2012 made in I.TA.No.1307/Mds/2011 on the file of the Income Tax Appellate Tribunal, Chennai, "D" Bench (for brevity, the Tribunal) for the Assessment Year 2005-06.

3.The appeal was admitted on 27.10.2014 on the following substantial question of law:

> “Whether on the facts and circumstances of the case, the Tribunal was right in upholding

the orders of the Commissioner of Income Tax (Appeals), who deleted the penalty levied under Section 271 (1)(c) of the Income Tax Act by the Assessing Officer amounting to Rs.47,67,418/-?

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 these cases are 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5.In the light of the said submissions, the above Tax Case Appeal is dismissed as withdrawn on account of the Low Tax Effect.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 are 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 IX)

//True Copy//

Sub Assistant Registrar

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To

The Income Tax Appellate Tribunal, Chennai, "D" Bench

2. The Commissioner of Income Tax, Chennai

3.The Commissioner of Income Tax Appeals III, Chennai

4.The Assistant Commissioner of Income Tax Company Circle I (4),Chennai

+1cc to Mr.T.Ravi kumar , Advocate SR.No. 10056

+1cc to Mr.G.Baskar , Advocate SR.No. 9846

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A.SK(09.03.2021)