IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 25.02.2021

CORAM

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

T.C.A.No.9 of 2014

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

Vs.

M/s.Indian Additives Ltd.,
Express Highway,
Manali, Chennai - 600 068. ... Respondent

Tax Case Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Chennai, "D" Bench, dated 05.06.2013 in I.T.A.No.511/Mds/2013, Assessment Year 2006-07 passed against the order of the Commissioner of Income Tax (Appeals-I) Coimbatore Commissioner of Income Tax, Company Circle II(3) Chennai dated 29.06.2010 in PAN No. AAACI1445G dated 11.01.2013 in Appeal No. 65/2010-2011 preferred against the order of the Deputy Commissioner office at Chennai.

For Appellant : Mr.Karthik Ranganathan
Standing Counsel

For Respondent : Ms.Sri Niranjini Srinivasan

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

We have heard Mr.Karthik Ranganathan, learned Standing Counsel for the appellant/Revenue and Ms.Sri Niranjini Srinivasan, 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 05.06.2013 made in I.T.A.No.511/Mds/2013 on the file of the Income Tax Appellate Tribunal, Chennai, "D" Bench (for brevity, the Tribunal) for the Assessment Year 2006-07.

3.The appeal was admitted on 16.04.2014 on the following substantial question of law:

> "As to whether the Income Tax Appellate Tribunal was right in interpretation of Section 271AA of the Income Tax Act, 1961 as providing for the discretion in the matter of levy of penalty, particularly when Section 92D of the Income Tax Act mandates the keeping and maintaining of information and document by such person, who entered into international transaction in accordance with Rule 10B of the Income Tax Rules"

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.

s/d-
Assistant Registrar

True Copy

Sub-Assistant Registrar

mkn
To

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

2.The Commissioner of Income Tax,(Appeals-I), Coimbatore camp at Chennai

3.The Assistant Commissioner of Income Tax
Company Circle 11(3) New Block, Nungambakkam
Chennai 34.

+1 CC to Mr.G. Baskar, Advocate sr 11461.

GMI(CO)
SP(17/03/2021)