IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 13.12.2021

CORAM :

THE HON'BLE MR. JUSTICE R. MAHADEVAN
AND
THE HON'BLE MR. JUSTICE MOHAMMED SHAFFIQ

TAX CASE APPEAL NOS.797 & 798 OF 2019
AND
CMP.NO.22271 OF 2019

Principal Commissioner of Wealth Tax
Central 2
No.108, Mahatma Gandhi Road,
Chennai 600 034.
... Appellant in both cases

-vs-

Shri.Aravind Nandagopal,
No.6, 6th Street, Rutland Gate,
Chennai 600 006.
PAN:AAFPA6259G ... Respondent in both cases

Tax Case Appeals filed under Section 27 of the Wealth Tax Act, 1959 against the common order dated 12.03.2019 passed by the Income Tax Appellate Tribunal, “B” Bench Chennai, in W.T.A.Nos.41 and 40 /Chny/2018.

Preferred against the common order passed by the Commissioner of Income Tax (Appeals) 18, Chennai dated 28.02.2018 made in WTA.Nos.22 to 24/17-18 preferred against the order passed by the Assistant Commissioner of Wealth Tax, Central Circle-2(1), Chennai-34 dated 30.03.2017 under Sec 18(1)(c) of Wealth Tax Act, 1957 for the Assessment Year 2010-2011, 2011-2012.

For Appellant : Mr.Karthik Ranganathan
Senior Standing Counsel in both cases

For Respondent : M/s.Subbaraya Aiyar Padmanabhan

COMMON JUDGMENT

(Judgment was delivered by R. MAHADEVAN, J.)

These tax case appeals have been filed by the appellant / Revenue, challenging the order dated 12.03.2019 passed by the Income Tax Appellate Tribunal, 'B' Bench, Chennai, in W.T.A.Nos.41 & 40 /Chny/2018, relating to the assessment years 2011-12 & 2010-11, by raising the following substantial questions of law:-

(i) Whether the Appellate Tribunal was right in cancelling the Penalty levied under Section 18[1][c] of the Wealth Tax Act on the ground the Assessing Officer has not clearly indicated that the proceedings were initiated either for 'concealed the particulars of wealth' or 'furnished inaccurate particulars of such wealth' in the penalty notice?

(ii) Whether, the act of the Tribunal is justifiable by not following its own decision rendered by the 'C' Bench of ITAT, Chennai in the case of S.Anandalakshmi in ITA No.1948/Mds/2016, dated 17.10.2017?

2. When the matters were taken up for consideration, the learned counsel for the appellant / Revenue brought to the notice of this court the Circular No.17/2019 dated 08.08.2019 issued by the Central Board Direct Taxes, wherein, it is stipulated that appeals shall not be filed/pursued by the Department before the High Court in cases where the tax effect does not exceed Rs.1,00,00,000/- (Rupees One Crore). It is also submitted that the tax effect in these appeals are less than the threshold limit.

3. In the light of the aforesaid submissions made by the learned counsel for the appellant / Revenue, the present appeals, wherein, the tax effect is said to be less than the monetary limit imposed, are dismissed as withdrawn, keeping open the substantial questions of law for determination in appropriate cases. No costs. Consequently, connected miscellaneous petition is closed.

Sd/-
Assistant Registrar(CS VII)

//True Copy//

Sub Assistant Registrar

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To

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

2. Principal Commissioner of Wealth Tax
   Central 2
   No.108, Mahatma Gandhi Road,
   Chennai 600 034.

3. The Assistant Commissioner of Wealth Tax,
   Central Circle-2(1), No.122, 1st Floor,
   New.No.46, Chennai-34.

4. Commissioner of Income Tax (Appeals) 18,
   Nungambakkam, Chennai-34.

+1cc to M/s.Subbaraya Aiyar Padmanabhan, Advocate, S.R.No.66510

Tax Case Appeal Nos.797 & 798 of 2019
and
CMP.No.22271 of 2019

PM(CO)
PM/23/03/2022