IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 10.09.2019

CORAM :

THE HON'BLE DR.JUSTICE VINEET KOTHARI
AND
THE HON'BLE MR.JUSTICE C.SARAVANAN

Tax Case Appeal No.1197 of 2009

Commissioner of Income Tax,
Company Circle IV (2),
Coimbatore. ... Appellant/Respondent

Vs.

M/s.Lakshmi Machine Works Limited,
(Formerly Textool Co. Ltd.,
Now merged with LMW)
SRKV Post, Coimbatore-641 020. ... Respondent/Appellant

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, 'D' Bench, Chennai, dated 25.01.2008 made in ITA No.1478/Mds/2005 for the Assessment year 1991-92.

against the Order of the Commissioner of Income Tax (Appeals)-I Madurai, Camp at Coimbatore, dated 22/03/2005 made in ITA.No. 89/2002-03 for the assessment year 1991-92 against the Order of the Assistant Commissioner of Income Tax Com. Circle IV (2)- Coimbatore - 18 dated 27/03/2002 made in PAN/GIR No. CY5637 for the assessment Year 1991-92.

For Petitioner : Mr.T.R.Senthilkumar
Sr. Standing Counsel
assisted by
Ms.K.G.Usharani
Jr. Standing Counsel

For Respondent : Mr.Venkatnarayanan
for M/s.Subbaraya Aiyar
Padmanabhan

ORDER
(Order of the Court was made by DR.VINEET KOTHARI,J.))

This Tax Case Appeal has been filed by the Revenue calling in question the correctness of the order passed by the Income

Tax Appellate Tribunal, 'D' Bench, Chennai, by raising the following substantial questions of law:

> "1.Whether on the facts and in the circumstances of the case, the Tribunal was right in holding that the reassessment made under Section 147 of the Income Tax Act was bad in law?
>
> 2. Whether the Tribunal is right in holding that reopening of assessment after the expiry of 4 years from the date of assessment is invalid without even considering the Explanation 2 to Section 147 of the Income Tax Act, 1961?"

2. When the matter is taken up for hearing, the learned Standing Counsel brought to our notice the Circular instruction issued by the Central Board of Direct Taxes vide Circular No.17/2019 dated 08.08.2019 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 Crore.

3. In the instant case, the tax effect is said to be less than the monetary limit imposed and therefore, the appeal filed by the Revenue is dismissed as not pressed, keeping open the substantial questions of law for determination in an appropriate case.

Sd/-

Assistant Registrar (CS-VIII)

//True Copy//

Sub Assistant Registrar

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To:

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

2. The Commissioner of Income Tax (Appeals)-I,
   Madurai, Camp at Coimbatore.

3. The Assistant Commissioner of Income-tax,
   Company Circle-IV(2)
   Coimbatore18.

4.The Commissioner of Income Tax,
Company Circle IV(2),
Coimbatore.

+1cc to Mr.Subbaraya Aiyar, Advocate, S.R.No. 78278

T.C.(A) No.1197 of 2009

VBA(CO)
GN(15/10/2019)