IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 16.12.2019

CORAM

THE HON'BLE DR.JUSTICE VINEET KOTHARI

AND

THE HON'BLE MR.JUSTICE R.SURESH KUMAR

Tax Case (Appeal) Nos.258 and 259 of 2009

Commissioner of Income Tax
Chennai ..Appellant/Respondent

Vs.

M/s.Sun Metal Factory (I) P. Ltd.,
No.L/3, Sidco Industrial Area,
Kodungaiyur,
Chennai 600 018 ... Respondent/Appellant

Tax Case Appeals filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, 'C' Bench, Chennai, dated 11.7.2008 made in ITA Nos.90, 91/Mds/2007 for the Assessment year 01.04.1990 to 03.11.2000 against the order of the Commissioner of Income Tax Appeals I, Chennai dated 06.03.2007 made in I.T.A.Nos.171/02-03 for the Assessment year 01.04.1990 to 03.11.2000 against the order of the Assistant Commissioner of Income Tax Central Circle IV(2) Chennai dated 29.11.2002 made in P.A. No. G.I. 1S for the Assessment year 01.04.1990 to 03.11.2000.

For Appellant : Ms.K.G.Usha Rani
For Respondent : Mr.R.Sivaraman

COMMON JUDGMENT
(delivered by DR.VINEET KOTHARI, J.)

These Tax Case Appeals have been filed by the Revenue, calling in question the correctness of the order passed by the Income Tax Appellate Tribunal, 'C' Bench, Chennai, dated 11 July 2008, in I.T.A.Nos.90, 91/Mds/2007, for the Assessment period 1.4.1990 to 3.11.2000, by raising the following substantial questions of law:

> "1. Whether on the facts and circumstances of the case, the Tribunal was right in setting aside the directions given by the CIT (A) to initiate reassessment proceedings u/s 148 to assess the bogus advances for the assessment year 1999-2000?

2. Whether on the facts and circumstances of the case, the Tribunal was right in setting aside the directions given by the CIT (A) to initiate reassessment proceedings u/s 148 to assess the bogus advances for the assessment year 1999-2000 when the subject matter in appeal stood decided by the order of this Court in W.P.No.21809 of 2007 dated 19.09.2007?

2. When the matter is taken up for hearing, learned Counsel for the Revenue brought to our notice the Circular instruction issued by the Central Board of Direct Taxes vide Circular No.17/2019 dated 8th August 2019, wherein, it is stipulated that appeal 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).

3. In the instant case, the tax effect is said to be less than the monetary limit imposed and therefore, the Appeals filed by the Revenue are dismissed as withdrawn, keeping open the substantial questions of law for determination in appropriate cases. No costs. Consequently, M.P.Nos.1 and 2 of 2009 are also dismissed.

s/d-
Assistant Registrar

True Copy

Sub-Assistant Registrar

tar
To
1. Income Tax Appellate Tribunal,
'C' Bench, Chennai.

2. The Commissioner of Income Tax, Chennai

3. The Commissioner of Income Tax, Appeals I, Chennai

4. The Assistant Commissioner of Income Tax
Central Circle IV(2) Chennai.

+1 CC to Mr.T.R. Senthil Kumar, Advocate sr 105158.

T.C.(A) Nos.258 & 259/2009

VBA(CO)
SP(04/02/2020)