IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 22.08.2019

CORAM

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM
and
THE HONOURABLE MRS.JUSTICE V.BHAVANI SUBBAROYAN

Tax Case Appeal No.577 of 2013

Commissioner of Income Tax,
Madurai. .. Appellant/Appellant

-vs-

M/s.Universal Foods,
Eraviputhur Kadai,
Kattathurai Post,
Kanyakumari District.
PAN: AAAFU7869B .. Respondent/Respondent

Appeal under Section 260A of the Income-tax Act, 1961, against the order dated 22.07.2011, on the file of the Income-tax Appellate Tribunal Bench 'A', Chennai, in I.T.A.No.764/Mds/2011 for the assessment year 2001-02 against the order of the Commissioner of Income Tax (Appeals-I) Madurai dated 10/01/2011 ITA No.0017/09-10 GI No/Pan No.AAAFU7869B for the Assessment year 2001-02 and against the order of the Assistant Commissioner of Income Tax for Circle -I, Tuticorin G.I No.U302/TTN1 dated 14/06/2005 for the Assessment year 2001-02 respectively.

For Appellant : Ms.S.Premalatha,
Junior Standing Counsel

: for Mr.M.Swaminathan,
Senior Standing Counsel

For Respondent : No appearance

JUDGMENT

(Delivered by T.S.Sivagnanam, J.)

This appeal by the appellant/Revenue filed under Section 260A of the Income-tax Act, 1961, is directed against the order dated 22.07.2011, passed by the Income-tax Appellate Tribunal Bench 'A', Chennai, in I.T.A.No.764/Mds/2011 for the assessment year 2001-02.

2.The above appeal was admitted, on 10.04.2014, on the following substantial questions of law:-

> "(i) Whether on the facts and in the circumstances of the case, the Income Tax Tribunal was right in upholding the order of CIT(A) and holding that rectification order under Section 154 can be made of the mistake which is oblivious and patent and not of a debatable issue or involving statutory interpretation?
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> (ii) Whether on the facts and in the circumstances of the case, the Income Tax Tribunal was right in not considering Explanation (b) to Section 80HHC(4B) which deals with export turnover but does not include freight or insurance attributable to transport of goods or mercantile beyond the customs station and as such the question of debatable issue do not arise?"

3.Heard Ms.S.Premalatha, learned Senior Standing Counsel for Mr.M.Swaminathan, learned Senior Standing Counsel for the appellant.

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 on account of the low tax effect. The substantial questions of law framed are left open. In the event the tax effect 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(Insp.cell)

//True copy//

Sub Assistant Registrar

abr

To

1.The Assistant Commissioner of Income-tax,
Circle-I, Tuticorin.

2.The Commissioner of Income-tax (Appeals)-I,
Madurai.

3.The Income-tax Appellate Tribunal Bench 'A', Chennai.

+1cc to Mr.M.Swaminathan, Advocate SR.No.72341

T.C.A.No.577 of 2013

AD(CO)
GMY(17/10/2019)