IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 29.08.2019

CORAM

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

Tax Case Appeal No.66 of 2017

Principal Commissioner of Income Tax 2,
No.63, Race Course Road,
Coimbatore. .. Appellant

-vs-

M/s.K.P.S.Oil Mills,
No.117, Bhavani Road,
Erode-638 004.
PAN: AAF FK 2695 A .. Respondent

Appeal under Section 260A of the Income-tax Act, 1961, against the order dated 09.06.2016, made in I.T.A.No.2326/Mds/2015 on the file of the Income Tax Appellate Tribunal 'B' Bench, Chennai for the assessment year 2012-13 against the Order of the Commissioner of Income Tax (Appeals)-3 Coimbatore dated 18.11.2015 and made in ITA No.581/14-15 for the Assessment Year 2012- 13 against the Order of the Assistant Commissioner of Income Tax Circle-I, Erode, dated 13.02.2015 and made in PA No.AAFFK2695 A for the Assessment Year 2012 -13.

For Appellant : Mr.T.R.Senthil Kumar,
Senior Standing Counsel

: Assisted by Ms.K.G.Usharani,
Standing Counsel

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

This appeal filed by the Revenue under Section 260A of the Income-tax Act, 1961 is directed against the order dated 09.06.2016, made in I.T.A.No.2326/Mds/2015 on the file of the Income Tax Appellate Tribunal 'B' Bench, Chennai for the assessment year 2012-13.

2.The appeal has been admitted on 13.02.2017, on the following substantial question of law:-

"Whether on the facts and circumstances of the case, the Appellate Tribunal rendered a perverse order by observing that the Assessing Officer felt that the entire transaction was only an accommodation entry he have disallowed the entire claim of loss without appreciating the fact that the Assessing Officer only disallowed the losses arising out of local sales and not that of high seas transaction by the LC receipts as the LC charges relating to import of oil was not a disallowable one?”

3.Heard Mr.T.R.Senthil Kumar, learned Senior Standing Counsel assisted by Ms.K.G.Usharani, learned 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 question of law framed is 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.

abr

Sd/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

To

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

2.The Principal Commissioner of Income Tax
No.63, Race Course Road, Coimbatore

3. The Commissioner of Income tax,
(Appeals) -3, Coimbatore

4. The Assistant Commissioner of
Income Tax Circle-I, Erode.

+1cc to Mr.T.R.Senthil Kumar, Advocate, SR.No.75135/19
+1cc to Mr.N.V.Balaji, Advocate, SR.No.76077/19

T.C.A.No.66 of 2017

Kak(05/11/2019)