IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 26.04.2021

CORAM

THE HON'BLE MR. JUSTICE M.DURAISWAMY
AND
THE HON'BLE MRS.JUSTICE R. HEMALATHA

T.C.A.No.205 of 2013

The Commissioner of Income Tax,
Chennai. ... Appellant/Appellant

Vs.

M/s.Sun Metal Factory (I) Pvt. Ltd.,
L-3, SIDCO Industrial Estate,
Kodungaiyur,
Chennai – 600 118. ... Respondent/Respondent

Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras, "D" Bench, dated 08.04.2011 in I.TA.No.1228/Mds/2010, Assessment Year 1999-2000, preferred against the order of the Commissioner of Income Tax (Appeals)-I, Chennai, dated 05/04/2010 made in ITA No.106/09-10, and against the order of the Assistant Commissioner of Income Tax, Central Circle IV(2), Chennai-34 dated 30/12/2008 made in PAN/GIR No.AAACS6636B for the Assessment Year 1999-2000.

For Appellant : Mr.J.Narayanaswamy
Senior Standing Counsel

For Respondent : Mr.R.Sivaraman

JUDGMENT
(Judgment was delivered by M.DURAISWAMY, J.)

We have heard Mr.J.Narayanaswamy, learned Senior Standing Counsel for the appellant/Revenue and Mr.R.Sivaraman, learned counsel for the respondent/assessee.

2.The appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 (for short, the Act) is directed against the order dated 08.04.2011 made in I.TA.No.1228/Mds/2010 on the file of the Income Tax Appellate Tribunal, Chennai, "D" Bench (for brevity, the Tribunal) for the Assessment Year 1999-2000.

3.The appeal was admitted on 26.07.2013 on the following substantial questions of law:

> "1.Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was correct in holding that Section 150 cannot enlarge the scope of Section 149 which givs the time limit for issuance of notice?
>
> 2.Whether on the facts and in the circumstances of the case, the Income Tax Tribunal was correct in quashing the reassessment proceedings initiated by the assessing officer to give effect to the direction of the CIT(A) citing the limitation for the reassessment given under Section 149 of the Income Tax Act despite the fact that Section 150 of the Income Tax Act specially provides for no time limit for reassessment directed by Appellate Orders?"

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 as withdrawn on account of the Low Tax Effect. The substantial questions of law framed are left open. In the event the tax effect in this case 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(L.A)

//True Copy//

Sub Assistant Registrar

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To

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

2.The Commissioner of Income Tax Appeals(I),
Chennai.

3.The Assistant Commisioner of Income Tax,
Cental Circle IV (2), Chennai-34.

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