IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 19.12.2018

CORAM

THE HON'BLE DR.JUSTICE VINEET KOTHARI
AND
THE HON'BLE DR.JUSTICE ANITA SUMANTH

Tax Case Appeal No.1405 of 2009

Commissioner of Income Tax,
Chennai. Appellant /Respondent

Vs.

M/s.Chettinad MBF Hi Silica P. Ltd. Respondent/Appellant

Prayer: Tax Case Appeal filed under Section 260-A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Chennai 'D' Bench, dated 10.07.2009, made in ITA No.169/Mds/2009 preferred against the Commissioner of Income Tax (Appeals) VIII, Chennai dated 17.12.2018, made in ITA.No. 135/07-08, against the Order dated 26.12.2006, passed by the Assistant Commissioner of Income Tax, Company Circle I (3), Chennai in GI.No/PAN.No. AAA CC4612.

For Appellant : Mr.T.Ravikumar,
Senior Standing Counsel.

For respondent : Mr.S.Sridhar

J U D G M E N T
(Delivered 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, Chennai 'D' Bench, Chennai, dated 10.07.2009, in ITA No.169/Mds/2009, by raising the following substantial question of law :

"Whether on the facts and circumstances of the case, the Appellate Tribunal was right in law in allowing the entire expenses relating to land development expenses, construction of compound wall and construction of community hall as revenue expenditure ?

2. When the matter is taken up for hearing, the learned Standing Counsel for the Department brought to our notice the Circular instruction issued by the Central Board of Direct Taxes vide Circular No.3/2018, dated 11.7.2018, 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.50.00 lakhs.

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 question of law for determination in appropriate cases. No costs.

Sd/-
Assistant Registrar(CS-VI)

//True Copy//

Sub Assistant Registrar

dixit

To

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

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

3.The Assistant Commissioner of Income Tax,
Company circle I (3), Chennai.

+1cc to Mr.T.Ravi Kumar, Advocate, S.R.No.89272
+1cc to Mr.S.Sridhar, Advocate, S.R.No. 88844

TCA No.1405 OF 2009

SSV(CO)
GN(28/01/2019)