IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 18.3.2019

CORAM

THE HON'BLE DR.JUSTICE VINEET KOTHARI
AND
THE HON'BLE MR.JUSTICE C.V.KARTHIKEYAN

Tax Case Appeal No.279 of 2009

Commissioner of Income Tax
Erode. .. Appellant

Vs.

S.K.M.Egg Products Export (Ind.) Ltd.
180 Gandhiji Road, Erode. .. Respondent

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, Madras 'D' Bench, Chennai, dated 1.10.2007 made in ITA No.2506/Mds/2005

against the Appellate order passed by the Commissioner of Income Tax (A)-1, Coimbatore, dated 10.08.2005 made in Appeal No.235/05-06, and

against the Deputy Commissioner of Income Tax Circle I, Erode, dated 30.09.2004, 23.12.2004 made in PA N/GIR NO.AACCS7106G/ICCS004.

For Appellant : Mrs.K.G.Usha Rani
Junior Standing Counsel

For Respondent : Mr.Senthil Kumar

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, 'D' Bench, Chennai, dated 1.10.2007 made in ITA No.2506/Mds/2005, by raising the following substantial question of law:

"Whether in the facts and circumstances of the case the Tribunal was right in holding that the interest payable to IFCI, a provision for contingent liability, need not be added back to the book profit as per explanation (c) to Section 115 JB(1)?"

2. When the matter is taken up for admission, the learned Standing Counsel 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 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 an appropriate case.

Sd/-
Assistant Registrar(CS VI)

//True Copy//

Sub Assistant Registrar

ssk

To

1.The Commissioner of Income Tax (A)-I,
Coimbatore.

2. The Income Tax Appellate Tribunal,
Madras 'D' Bench, Chennai

3. The Deputy Commissioner of Income Tax,
Circle I, Erode.

+1 cc to Mr.N.Muthukumar, Advocate, Sr.No. 25501

TCA No.279 of 2009

PP(CO)
CSL/27.06.2019