IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 5.9.2019

CORAM

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

Tax Case No.606 of 2008

The Commissioner of Income Tax
Tamil Nadu-I, Madras. ... Appellant

Vs.

M/s.Karmen International (P) Ltd.,
Plot No.12, Ponniamman Nagar Road,
Ayanambakam, Chennai 600 095. ... Respondent

Tax Case filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, 'B' Bench, Chennai, dated 7.12.2007 made in ITA No.550/Mds/2007 and against the Commissioner of Income Tax (Appeals)-III, Chennai -34 and made in ITA.No.1/2006-07 dated 09/10/2006 and against the order of Income Tax Officer, Company Ward II(1), Chennai -34 and PAN./GIR.No.AAACK8998A, dated 15/03/2006.

For Appellant : Mr.Karthik Ranganathan
Senior Standing Counsel
For Respondent : Mr.S.Sridhar

JUDGMENT
(Delivered by DR.VINEET KOTHARI,J)

This Tax Case has been filed by the Revenue, calling in question the correctness of the order passed by the Income Tax Appellate Tribunal, 'B' Bench, Chennai, dated 7.12.2007 made in ITA No.64/Mds/2007, for the Assessment Year 2003-2004, by raising the following substantial question of law:

> "Whether on the facts and in the circumstances of the case the Appellate Tribunal was right in holding, since the assessee was maintaining separate books of accounts in respect of export unit, deduction under Section 80 HHC should be

allowed without setting off the loss of the domestic unit against the profit of the export unit is valid in law?"

2. When the matter is taken up for hearing, learned Senior Standing Counsel brought to our notice the Circular instruction issued by the Central Board of Direct Taxes vide Circular No.17/2019 dated 8th August 2019, 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.1,00,00,000/- (Rupees One Crore).

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is said to be less than the monetary limit imposed and therefore, the Appeal filed by the Revenue is dismissed, as withdrawn, keeping open the substantial question of law for determination in appropriate cases. No costs.

Sd/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

To

1. The Commissioner of Income Tax
Tamil Nadu-I, Madras.

2. Income Tax Appellate Tribunal,
'B' Bench, Chennai.

3. The Income Tax Officer (OSD)
Company Circle-II(4) Chennai.

+1 cc to M/s.S.Sridhar,Advocate Sr.No. 76657

AKM/08.11.19/2P-5C /

T.C.No.606 of 2008