IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 19.8.2019
CORAM :

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

Tax Case Appeal No.1057 of 2010

Commissioner of Income Tax
-I, Chennai ...Appellant

Vs

M/s.India Pistons Ltd., Chennai-11 ...Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 30.4.2010 made in ITA.No.211/Mds/2010 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench for the assessment year 1992-93 against the Order of the Commissioner of Income Tax (Appeals)-III, Chennai -34, dated 30.11.07, made in ITA No.63/07-08/A.III, against the Assistant Commissioner of Income Tax,Company Circle-II (3),V Floor, New Block, Chennai -34, dated 20.03.07 made in No.IX1-023-AAACI1439 E/1992-93, Assessment Year 1992-93.

For Appellant : Mr.Karthik Ranganathan, SSC
For Respondent: Mr.R.Venkata Narayanan for M/s.Subbaraya Aiyer Padmanabhan

Judgment was delivered by T.S.Sivagnanam,J

We have heard Mr.Karthik Ranganathan, learned Senior Standing Counsel appearing for the appellant - Revenue and Mr.R.Venkata Narayanan, learned counsel for the respondent - assessee.

2. This appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 is directed against the order dated 30.4.2010 made in ITA.No. 211/Mds/2010 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench for the assessment year 1992-93.

3. The appeal was admitted on 09.11.2010 on the following substantial question of law :

> "Whether, on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in confirming the order of the Commissioner of Income Tax (Appeals) deleting the addition of

Rs.21,26,947/- representing the investment allowance withdrawn as per the order of the Assessing Officer under Section 155(4A) even though the assessee had not utilized the investment allowance reserve for the acquisition of new plant and machinery as stipulated under Sub-Section (4) of Section 32A?"

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 08.8.2019 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.

RS

Sd/-
Assistant Registrar(CS VI)

//True Copy//

Sub Assistant Registrar

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

2. The Commissioner of Income Tax
(Appeals)-III, No.121,M.G.Road,
Chennai -34,

3. The Assistant Commissioner of
Income Tax,Company Circle-II (3),
V Floor, M.G.Road, Chennai- 34.

+1cc to Mr.Subbaraya Aiyar Padmanabhan,
Advocate, SR.No.70478/19

TCA.No.1057 of 2010

Kak(31/10/2019)