IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 02.12.2019

CORAM

THE HON'BLE DR.JUSTICE VINEET KOTHARI
AND
THE HON'BLE MR.JUSTICE R.SURESH KUMAR

Tax Case Appeal No.610 of 2010

Commissioner of Income Tax
Chennai. ... Appellant

Vs.

M/s.Covanta Madurai Operating Pvt Ltd.,
No.101 (Old No.42/1), 4th Main Road
Gandhi Nagar, Adyar, Chennai-600 020. ... Respondent

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, Madras 'A' Bench, Chennai, dated 04.12.2009 made in ITA No.464/Mds/2007,PAN.No.AAA.CO.5538L for the Assessment year 2002-03, and against the commissioner of Income Tax(A)-III, Chennai-34, dated 18/12/2006. Made in I.T.A.No.199/2006-07/A.III, PAN/No.AAA CO 5538L for the Assessment year 2002-03.

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

For Respondent : Mr.M.Kaushik
for 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, 'A' Bench, Madras, by raising the following substantial question of law:

"Whether the Tribunal was right in deleting the penalty under Section 271(1)(c) in spite of the fact that the assessee has claimed the deduction under Section 80 IA in gross violation of the conditions for claiming the deduction?"

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 questions of law for determination in an appropriate case.

Sd/-
Assistant Registrar(CS-VI)

//True Copy//

Sub Assistant Registrar

KST

To

1.The Income Tax Appellate Tribunal,
Madras 'A' Bench, Chennai.

2.The Commissioner of Income Tax(A)-III,
121, Mahatma Gandhi Road, Chennai-34.

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

+1cc to Mr.S.Sridhar, Advocate SR.100554
+1cc to Mr.T.Ravikumar, Advocate SR.100578

TCA No.610 OF 2010

AD(CO)
CB(07/01/2020)