In the High Court of Judicature at Madras

Dated : 16.8.2019

Coram :

The Honourable Mr.Justice T.S.SIVAGNANAM
and
The Honourable Mrs.Justice V.BHAVANI SUBBAROYAN

Tax Case Appeal No.887 of 2010

The Commissioner of Income Tax, Chennai ...Appellant/Appellant

Vs

M/s.Flakt India Ltd, Chennai-77. ...Respondent/Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 19.3.2010 made in ITA.No.578/Mds/2008 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench for the assessment year 2003-04, against the Order of the Commissioner of Income Tax (Appeals)-XII, Chennai - 34 dated 23.11.2007 and made in ITA No.138/06-07 for the Assessment year 2003-04, against the Order of the Deputy Commissioner of Income Tax, Company Circle -II(1), Chennai - 34, dated 23.03.2006 and made in PAN/GIR No.AAACF6153G for the Assessment year 2003-04.

For Appellant : Mr.Karthik Ranganathan, SSC
assisted by Mr.S.Rajesh, JSC

For Respondent : No appearance

Judgment was delivered by T.S.Sivagnanam,J

We have heard Mr.Karthik Ranganathan, learned Senior Standing Counsel appearing for the appellant - Revenue.

2. This appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 is directed against the order dated 19.3.2010 made in ITA.No. 578/Mds/2008 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench for the assessment year 2003-04.

3. The appeal was admitted on 02.11.2010 on the following substantial questions of law :

> "i. Whether, on the facts and in the circumstances of the case, the Tribunal was right in deleting the disallowance with

respect to unpaid liabilities amounting to Rs.56,40,543/- that was taken over from ABB Ltd., on the ground that the said amount was not charged to profit and loss account ? And

ii. Whether, on the facts and in the circumstances of the case, the Tribunal was right in deleting the disallowance with respect to the provision of Rs.55,43,213/- towards obsolete stock on the same ground that the said amount was not charged to profit and loss account?”

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 questions of law framed are 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.

Sd/-
Assistant Registrar (CS-IV)

//True Copy//

Sub Assistant Registrar

RS
To

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

2) The Commissioner of Income Tax (Appeals)-XII,
Chennai - 34

3) The Deputy Commissioner of Income Tax,
Company Circle -II(1),
Chennai - 34.

4) The Commissioner of Income Tax,
Chennai.

TCA.No.887 of 2010

SV(CO)
SSM(17/09/2019)