In the High Court of Judicature at Madras

Dated : 20.8.2019

Coram :

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

Tax Case Appeal Nos.220 to 223 of 2011

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

Vs

M/s.M.R.F. Ltd., Chennai ...Respondent

APPEALS under Section 260A of the Income Tax Act, 1961 against the common order dated 16.7.2010 made in ITA.Nos.707 & 708/Mds/2010 as well as C.O.Nos.39 and 40/Mds/2010 respectively in ITA.Nos.707 & 708/Mds/ 2010 on the file of the Income Tax Appellate Tribunal, Chennai 'B' Bench respectively for the assessment years 1999-2000 and 2000-01. as against the Order dated 26/02/2010 and made in ITA No. 5 & 6 /09-10/ LTU(A) on the file of the Commissioner of Income Tax (Appeals), Chennai and against the Order dated 26/03/2009 and made in AAACB 2553Q/200-01 and made in AAACM4154G /2000-01 on the file of the Assistant commissioner of Income Tax (LTU), Chennai.

For Appellant:Mr.T.Ravikumar, SSC and
Mrs.R.Hemalatha, SSC

For Respondent:Mr.R.Venkatanarayanan for
M/s.Subbaraya Aiyer Padmanabhan

COMMON JUDGMENT
(Judgment was delivered by T.S.Sivagnanam,J)

We have heard Mr.T.Ravikumar and Mrs.R.Hemalatha, learned Senior Standing Counsel appearing for the appellant – Revenue and Mr.R. Venkatanarayanan, learned counsel appearing for the respondent – assessee.

2. These appeals, filed by the Revenue under Section 260A of the Income Tax Act, 1961, are directed against the common order dated 16.7.2010 made in ITA.Nos.707 & 708/Mds/2010 as well as C.O.Nos.39 and 40/Mds/2010 respectively in ITA.Nos.707 & 708/Mds/ 2010 on the file of the Income Tax Appellate Tribunal, Chennai 'B' Bench respectively for the assessment years 1999-2000 and 2000-01.

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3. The appeals were admitted on 13.6.2011 on the following substantial questions of law :

> "i. Whether, on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in holding that the orders of the Assessing Officer under Section 154 of the Income Tax Act for the assessment years 1999-2000 and 2000-01 excluding the DEPB receipts in the computation of deduction under Section 80HHC (3) were invalid on account of the issue being a debatable one without appreciating that the orders subjected to rectification suffered from mistake of law in view of retrospective amendment made under Section 80HHC(3) by the Taxation Law Amendment Act, 2005 ? and
>
> ii. Whether, on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in dismissing the appeals of the Revenue against the orders of the Commissioner of Income Tax (Appeals) as infructuous without going into the merits of the grounds of appeals?"

4. The learned Senior Standing Counsel for the appellant submits that the above appeals are 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 the respective cases is less than the threshold limit.

5. In the light of the said submissions, the above tax case appeals are dismissed on account of the low tax effect. The substantial questions of law framed are left open. In the event the tax effect in the respective cases 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 appeals to be heard and decided on merits. No costs.

Sd/-

Assistant Registrar (Insp Cell)

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Sub Assistant Registrar

RS

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To

1.The Income Tax Appellate Tribunal,
  Chennai 'B' Bench.

2.The Commissioner of Income Tax,
  LTU, Chennai.

3.The Commissioner of Income Tax (Appeals),
  Chennai.

4.The Assistant Commissioner of Income Tax (LTU),
  Chennai.

+1cc to Mr.Subbaraya Aiyer Padmanabhan, Advocate, S.R.No. 71043
+1cc to Mr.T.Ravi Kumar, Advocate, S.R.No. 70542

TCA.Nos.220 to 223 of 2011

VD(CO)
GN(17/10/2019)

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