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 No.283 of 2011

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

Vs

M/s.Allianz Bio Sciences Pvt. Ltd., Chennai-81. ...Respondent/Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 19.11.2010 made in ITA.No.1365/Mds/2009 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench for the assessment year 2005-06.

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

For Respondent:Mr.R.Sivaraman

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. Sivaraman, learned counsel appearing 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 19.11.2010 made in ITA. No.1365/Mds/2009 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench for the assessment year 2005-06.

3. The appeal was admitted on 17.8.2011 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 assessee company was entitled to deduction under Section 80IB in respect of its unit in Pondicherry even though the entire manufacture of drugs and formulations were done under 'loan license' only, on the basis of a job work contract with M/s. Tablets (India) Ltd., which supplied all the raw materials, specifications and exercised complete supervision of the manufacture of the drugs ensuring the quantity and quality thereof ? and

ii. Whether, on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in holding that the Explanation under Section 80IA introduced by the Finance Act, 2007 with effect from 01.4.2000 was not applicable to Section 80IB ?”

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. No costs.

Sd/-
Assistant Registrar(CS-IV)

//True Copy//
Sub Assistant Registrar

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

2.The Commissioner of Income Tax,
Tax-1, Chennai.

3.The Sub Assistant Registrar,
Judicial Section, High Court,
Madras.

+1cc to Mr.T.RaviKumar, Advocate SR.70544

TCA.No.283 of 2011

BR(CO)
CB(04/12/2019)