IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 02.1.2019

CORAM :

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM
AND
THE HONOURABLE MR.JUSTICE N.SATHISH KUMAR

TAX CASE APPEAL NO.573 OF 2011

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

Vs

M/s.Salem Starch & Sago Manufacturers
Service Industrial Cooperative Society
Limited (SAGOSERVE), Salem-302.
...Respondent/Respondent

Prayer:-

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 31.8.2007 in ITA No.1789/Mds/2005 on the file of the Income Tax Appellate Tribunal Madras 'D' Bench for the assessment year 1989-90. and against the order dated 18.05.2005 in ITA.No.4/05-06 on the file of the Commissioner of Income Tax (Appeals), Salem.

For Appellant : Mr.T.Ravikumar, SSC

Judgment was delivered by T.S.SIVAGNANAM,J

Heard the learned Standing Counsel for the appellant.

2. This appeal by the Revenue challenges the order passed by the Income Tax Appellate Tribunal, which decided the issue in favour of the assessee. The appeal was admitted on 23.11.2011 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 holding that the assessee is entitled to claim deduction under Section 80P(2)(a)(i), especially when the main object of the society was to

facilitate marketing and sale of sago and starch to its members ?"

3. The Revenue seeks to withdraw this appeal on account of low tax effect in terms of Circular No.3 of 2018 dated 11.7.2018 issued by the Central Board of Direct Taxes.

4. In the light of the above, the appeal is dismissed as withdrawn and the substantial question of law framed is left open.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 under exceptional clauses mentioned in the 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(CCC)

//True Copy//

Sub Assistant Registrar

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To

1. The Income Tax Appellate Tribunal,
   Madras 'D' Bench.

2. The Commissioner of Income Tax (Appeals)
   Salem.

TCA.No.573 of 2011

MR(CO)
CS/19/02/2019