IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 21.8.2019

CORAM :

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM
AND
THE HONOURABLE MRS.JUSTICE V.BHAVANI SUBBAROYAN

TAX CASE APPEAL NO.291 OF 2012

The Commissioner of Income Tax, Chennai ...Appellant

Vs

M/s.Pradeep Stainless India P. Ltd., Chennai-45. ...Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 30.4.2012 made in ITA.No.143/Mds/2011 on the file of the Income Tax Appellate Tribunal, Chennai 'A' Bench for the assessment year 2005-06. against the Order of the Commissioner of Income Tax (A)-V, Chennai-34 in ITA.No.369/07-08 dated 25.10.2010 as against the proceedings of the Income Tax Officer (OSD), Company circle V(2), Chennai dated 26.12.2007 made in PAN.No.AADCP2554Q.

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

For Respondent : Mr.R.Parthiban

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.Parthiban, 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 30.4.2012 made in ITA.No. 143/Mds/2011 on the file of the Income Tax Appellate Tribunal, Chennai 'A' Bench for the assessment year 2005-06.

3. The appeal was admitted on 03.10.2012 on the following substantial questions of law :

> "i. Whether, under the facts and circumstances of the case, the Income Tax Appellate Tribunal was right in holding that the assessee would be eligible for deduction under Section 10A in respect of profits on goods exported by it, which it did not manufacture ? And
>
> ii. Whether, under the facts and circumstances of the case, the Income Tax Appellate Tribunal was right in holding that 'manufacture' referred to in Section 10A is relevant only for the purpose of reckoning the period deduction and not for computing the quantum of export turnover ?"

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(CO)

//True Copy//

Sub Assistant Registrar

RS

To

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

2. The Commissioner of Income Tax(A)-V,
Chennai-34

3. The Income Tax Officer (OSD),
Company Circle V(2),
Chennai

+1cc to Mr.R.Parthiban, Advocate, S.R.No.71362

TCA.No.291 of 2012

PPA(CO)
CS/25/10/2019