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.420 of 2012

The Commissioner of Income
Tax, Chennai ...Appellant

Vs

M/s.FFE Minerals (P) Ltd.,
Tamil Nadu-603103. ...Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 27.6.2012 made in ITA.No.315/Mds/2012 on the file of the Income Tax Appellate Tribunal, Chennai 'B' Bench for the assessment year 2002-03, against the order of the Commissioner of Income Tax Appeals -III, Chennai in ITA.No.109/2005-06/A-III, dated 14/12/2005 against the order dated 16/02/2005 passed by the Assistant Commissioner of Income Tax, Company Circle -II(1), Chennai-34.

For Appellant : Mr.Karthik Ranganathan, SSC
For Respondent : Mr.G.Baskar

JUDGMENT

Judgment was delivered by T.S.Sivagnanam,J

We have heard Mr.Karthik Ranganathan, learned Senior Standing Counsel appearing for the appellant - Revenue and Mr.G.Baskar, 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 27.6.2012 made in ITA.No. 315/Mds/2012 on the file of the Income Tax Appellate Tribunal, Chennai 'B' Bench for the assessment year 2002-03.

3. The appeal was admitted on 01.2.2013 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 dismissing the appeal of the Department by deleting the disallowance made towards interest cost attributable to export turnover ? and

ii. Whether, on the facts and in the circumstances of the case, the Appellate Tribunal was right in dismissing the appeal of the Department without considering Clause 3(b) of Section 80HHC while computing the deduction?”

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

//True Copy//

Sub Assistant Registrar

To

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

2.The Commissioner of Income Tax Appeals -III,
Chennai.

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

+1 cc to Mr.G.Baskar, Advocate Sr.No. 71651

AKM/01.10.19/2P-5C /

TCA.No.420 of 2012