IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 22.08.2019

CORAM

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

Tax Case Appeal No.473 of 2013

The Commissioner of Income tax,
Chennai. .. Appellant/Appellant

-vs-

M/s.Amco Batteries Limited,
803, Anna Salai,
Chennai-600 002. .. Respondent/Respondent

Appeal under Section 260A of the Income-tax Act, 1961, against the order dated 21.02.2013, on the file of the Income-tax Appellate Tribunal 'B' Bench, Chennai, in I.T.A.No.2270/Mds/2012 for the assessment year 2009-10 and against the order of the Commissioner of Income Tax(Appeals)-I, Bangalore and made in ITA.No.119/DC-11(1)/A-I/IT-12, dated 28/09/2012 and against the Deputy Commissioner of Income Tax Circle II(1), Bangalore and made in PAN/GIR.No.AABCA1726F in Assessment year 2009-10 order dated 28/11/2011.

For Appellant : Mr.T.Ravi Kumar,
Senior Standing Counsel &
: Ms.R.Hemalatha,
Senior Standing Counsel

For Respondent : Mr.Mr.R.Venkatanarayana,

: for M/s.Subbaraya Aiyar,
Padmanabhan & Ramamani

JUDGMENT
(Delivered by T.S.Sivagnanam, J.)

This appeal filed by the appellant/Revenue under Section 260A of the Income-tax Act, 1961, is directed against the order dated 21.02.2013, passed by the Income-tax Appellate Tribunal 'B' Bench, Chennai, in I.T.A.No.2270/Mds/2012 for the assessment year 2009-10.

2.The above appeal was admitted, on 17.09.2013, on the following substantial questions of law:-

> "(i) Whether on the facts and in the circumstances of the case, the Tribunal was right in holding that the additions amounting to Rs.2,32,47,160/- made on account of disallowance for provisions of warranty debited to the profit and loss account is to be allowed?
>
> (ii) Is not the finding of the Tribunal bad directing allowance of the provisions for warranty which was not made on scientific basis?"

3.Heard Mr.T.Ravi Kumar and Ms.R.Hemalatha, learned Senior Standing Counsel for the appellant and Mr.R.Venkatanarayana, learned counsel, for M/s.Subbaraya Aiyar, Padmanabhan & Ramamani, for the respondent.

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 08.08.2019 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 Deputy Commissioner of Income-Tax, Circle-11(1), Bangalore.
2.The Commissioner of Income-tax (Appeals)-I, Bangalore.
3.The Income-tax Appellate Tribunal 'B' Bench, Chennai.

+1cc to M/s.Subbaraya Aiyar, Advocate Sr.No.72317
+1cc to M/s.T.Ravi Kumar, Advocate Sr.No.71819

AKM/08.11.19 /3P-6C/ T.C.A.No.473 of 2013