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.799 of 2013

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

-vs-

M/s.Trichy Distilleries and Chemicals Ltd,
Mahalakshmi Mansion P.O.,
14, First Main Road, Gandhi Nagar,
Adyar, Chennai-600 020.
.. Respondent/Respondent

Appeal under Section 260A of the Income-tax Act, 1961, against the order dated 30.04.2012, on the file of the Income Tax Appellate Tribunal, 'D' Bench, Chennai, in I.T.A.No.67/Mds/2011 for the assessment year 2005-06, and against the order of the Commissioner of Income Tax(Appeals)-III, Chennai dated 29/10/2010 in ITA.NO.295/07-08/A-III, and against the order of the Assistant Commissioner of Income Tax, Company Circle-III(2), Chennai.

For Appellant : Ms.S.Premalatha,
Junior Standing Counsel

: for Mr.M.Swaminathan,
Senior Standing Counsel

For Respondent : Mr.T.N.Seetharaman

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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 30.04.2012, passed by the Income Tax Appellate Tribunal, 'D' Bench, Chennai, in I.T.A.No.67/Mds/2011 for the assessment year 2005-06.

2.The above appeal was admitted, on 04.04.2014, on the following substantial questions of law:

> "(i) Whether on the facts and circumstances of the case, the Tribunal was right in upholding the order of CIT(A) that the disallowance of Rs.2,04,30,685/- made towards administrative fee paid to the State Government is to be allowed?
>
> (ii) Is not the finding of the Tribunal bad especially when the matter is pending before the Supreme Court and admittedly the liability had not crystallized during the year and the expenditure pertain to the period 12.04.2000 to 05.05.2004 and the assessee had failed to claim the same in the respective assessment year?"

3.Heard Ms.S.Premalatha, Junior Standing Counsel, for Mr.M.Swaminathan, learned Senior Standing Counsel for the appellant and Mr.T.N.Seetharaman, learned counsel 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(Insp.Cell)

//True Copy//

Sub Assistant Registrar

abr

To

1.The Assistant Commissioner of Income Tax,
Company Circle-III(2), Chennai.

2.Commissioner of Income Tax (Appeals)-III,
121, Mahatma Gandhi Road, Chennai-600 034.

3.The Income Tax Appellate Tribunal, 'D' Bench, Chennai.

+1cc to Mr.M.Swaminathan, Advocate sr.72344
+1cc to Mr.T.N.Seetharaman, Advocate sr.71826

T.C.A.No.799 of 2013

kk(co)
nr 12/11/2019