In the High Court of Judicature at Madras

Dated : 30.8.2019

Coram :

The Honourable Mr.Justice T.S.SIVAGNANAM

and

The Honourable Mrs.Justice V.BHAVANI SUBBAROYAN

Tax Case Appeal No.427 of 2016

The Commissioner of Income
Tax, Chennai ...Appellant

Vs

M/s.SICGIL India Ltd., Chennai-2. ...Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 29.9.2015 made in ITA.No.1174/Mds/2015 on the file of the Income Tax Appellate Tribunal, Chennai 'B' Bench for the assessment year 2010-11 as against the order dated 20/02/2015 and 13/05/2015 of the Commissioner of Income Tax Appeals, Chennai in GIR. No/PAN No.AAACS3767M for the assessment year 2010-2011 and as against the order dated 20/03/2013 of the Assistant Commissioner of Income Tax, Company Circle, Chennai in PAN/GIR.No.AAACS3767M for the assistant year 2010-2011.

For Appellant :Mr.J.Narayanasamy, SSC
For Respondent :Mr.A.S.Sriraman for S.Sridhar

Judgment was delivered by T.S.Sivagnanam,J

We have heard Mr.J.Narayanasamy, learned Senior Standing Counsel appearing for the appellant - Revenue and Mr.A.S.Sriraman, 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 29.9.2015 made in ITA.No. 1174/Mds/2015 on the file of the Income Tax Appellate Tribunal, Chennai 'B' Bench for the

assessment year 2010-11.

3. The Revenue has filed this appeal by raising the following substantial question of law :

> "Whether, on the facts and in the circumstances of the case, the Tribunal was right in holding that the cylinder transport charges received for delivery of the finished product has direct nexus with the industrial undertaking and is integral part of the turnover for the purpose of computation of deduction under Section 80IB ?"

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 question of law raised is 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.

-s/d-
Assistant Registrar

True Copy

Sub-Assistant Registrar

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

2.The Commissioner of Income Tax, (Appeals)-15
Nungambakkam Chennai-84

3.The Assistant Commissioner of Income Tax
Company Circle-V-VI(B)
Mahatma Gandhi Road
Chennai-34

+1 cc to Mr.S.Sridhar, advocate sr76095
+1 cc to Mr.T.R.Senthil kumar Senior Standing counsel for Income Tax sr75710



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