In the High Court of Judicature at Madras

Dated : 15.6.2020

Coram :

The Honourable Mr.Justice T.S.SIVAGNANAM
and
The Honourable Mrs.Justice PUSHPA SATHYANARAYANA

Tax Case Appeal No.448 of 2010

Commissioner of Income
Tax-I, Coimbatore ...Appellant/Respondent

Vs

M/s.Elgi Ultra Industries Ltd.,
Coimbatore ...Respondent/Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 20.11.2009 made in ITA.No.1267/Mds/2009 on the file of the Income Tax Appellate Tribunal, Chennai 'B' Bench for the assessment year 2006-07 against the order passed by the Commissioner of Income Tax (Appeals)-1, Coimbatore dated 22.06.2009 made in A.No. 105/2008-2009 and against the order passed by the Assistant Commissioner of Income Tax, Company Circle 1(1) Coimbatore dated 15.09.2008 made in P.A. No. AAACE4566G.

For Appellant:Mr.T.R.Senthilkumar, SSC &
Ms.K.G.Usharani, SC
For Respondent:Mr.Arun Prasad

Judgment was delivered by T.S.Sivagnanam,J

We have heard Mr.T.R.Senthilkumar, learned Senior Standing Counsel and Ms.K.G.Usharani, learned Standing Counsel appearing for the appellant - Revenue and Mr.Arun Prasad, learned counsel appearing for the respondent.

2. This appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 (for short, the Act) is directed against the order dated 20.11.2009 made in ITA.No.1267/Mds/2009 on the file of the Income Tax Appellate Tribunal, Chennai 'B' Bench (for brevity, the Tribunal) for the assessment year 2006-07.

3. The appeal has been admitted on 07.6.2010 on the following substantial question of law :

"Whether, on the facts and in the circumstances of the case, the Income Tax

Appellate Tribunal was right in allowing the bad debts written off in the books of accounts, even though the conditions laid down under Section 36(1)(vii) read with Section 36(2) were not satisfied by the assessee?"

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 framed 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)-1
Coimbatore

3.The Commissioner of Income Tax
Company Circle1(1)
Coimbatore

4.The Assistant Commissioner of Income Tax
Company Circle 1(1) Coimbatore

TCA.No.448 of 2010

BS(CO)
SP(30/09/2020)