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 Nos.262 to 268 of 2012

The Commissioner of Income
Tax, Chennai ...Appellant (in all)

Vs

M/s.Lakshmi Machine Works,
Periyanayakanpalayam, Coimbatore ...Respondent(in all)

Common Prayer:APPEALS under Section 260A of the Income Tax Act, 1961 against the common order dated 16.11.2007 made respectively in ITA.Nos.1464, 1465, 2356, 2468, 2660, 2661 and 1479/Mds/2005 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench respectively for the assessment years 2000-01, 2000-01, 2001-02, 2001-02, 2000-01, 2000-01 and 2001-02 appeal filed against the commissioner of Income Tax Appeals I ,Madurai dated 22.03.2005 in ITA.No.269/2002-2003 against the Commissioner of Income Tax (Appeal) I ,Madurai camp at Coimbatore in ITA.No.180/2002-2003 against the order of Deputy commissioner of Income Tax in PAN/GIR.No.AAACL 5244 M for the Assessment Year 2001-2002 against the Order of the Assistant Commissioner in PAN/GIR.No.AAACL 5244 M for the Assessment Year 2000-2001 on the file of the Assistant commissioner of Income Tax Company Circle IV (2), Coimbatore.

For Appellant: Mr.T.R.Senthilkumar, SSC assisted by Ms.K.G.Usharani, SC

For Respondent: Mr.Vikram Vijayaraghvan for M/s.Subbaraya Aiyer Padmanabhan

COMMON JUDGMENT

(Judgment was delivered by T.S.Sivagnanam,J)

We have heard Mr.T.R.Senthilkumar, learned Senior Standing Counsel assisted by Ms.K.G.Usharani, learned Standing Counsel appearing for the appellant - Revenue and Mr.Vikram Vijayaraghavan, learned counsel appearing for the respondent - assessee.

2. These appeals, filed by the Revenue under Section 260A of the Income Tax Act, 1961, are directed against the common order dated 16.11.2007 made respectively in ITA.Nos.1464, 1465, 2356, 2468, 2660, 2661 and 1479/Mds/2005 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench respectively for the assessment years 2000-01, 2000-01, 2001-02, 2001-02, 2000-01, 2000-01 and 2001-02.

3. The appeals were admitted on 29.10.2012 on the following substantial questions of law :

> "1. Whether, on the facts and circumstances of the case, the Tribunal was right in holding that the amount paid to employees under VRS is allowable as a deduction on grounds of commercial expediency as against the provisions of Section 35D as per which the said expenses have to be allowed over a period of 5 years and not to be allowed as a deduction in full ?
>
> 2. Whether, on the facts and circumstances of the case, the Tribunal was right in holding that remanding the issue relating to inclusion of special training receipt, repair/service charges, scrap sale, to the profits eligible for deduction under Section 80HHC to the Assessing Officer to decide in the light of case decided in Virudhunagar Textiles Mills 97 ITD 306 ?
>
> 3. Whether, on the facts and circumstances of the case, the Tribunal was right in holding that remanding the issue relating to inclusion of income from windmill generation in total turnover/eligible profits for computing deduction under Section 80HHC to the Assessing Officer to decide in the light of the case decided in Virudhunagar Textiles Mills 97 ITD 306 ? and
>
> 4. Whether on facts and circumstances of the case, the Tribunal was right in holding that interest under Section 234B and C had to be computed after setting off the brought forward MAT credit, the Tribunal also held that interest under Section 234B and C had to be computed after setting off the brought forward MAT credit?"

4. The learned Senior Standing Counsel for the appellant submits that the above appeals are 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 the respective cases is less than the threshold limit.

5. In the light of the said submissions, the above tax case appeals are dismissed on account of the low tax effect. The substantial questions of law framed are left open. In the event the tax effect in the respective cases 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 appeals to be heard and decided on merits. No costs.

Sd/-
Assistant Registrar(CS)

//True Copy//

Sub Assistant Registrar

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

2.The Commissioner of Income Tax (Appeal) I ,Madurai camp at Coimbatore.
3.The Deputy Commissioner of Income Tax (Appeal) I ,Madurai camp at Coimbatore.

4.The Assistant commissioner of Income Tax Company Circle IV (2), Coimbatore.

TCA.Nos.262 to 268 of 2012

ks co
A.SK(22/09/2020)