IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED:02.06.2020

CORAM

THE HON'BLE DR.JUSTICE VINEET KOTHARI
AND
THE HON'BLE MR.JUSTICE R.SURESH KUMAR

Tax Case Appeal No.851 of 2013

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

Vs.

M/s.Chennai Petroleum Corporation Limited,
Refinery House, Manali,
Chennai - 600 068. ... Respondent/Respondent

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, Madras 'D' Bench, Chennai, dated 25.07.2012 made in ITA No.439/Mds/2009.

Against the order passed by the Commissioner of Tax (Appeals) Large Tax Payer Unit, Chennai-101 made in ITA.No.562/07-08/LTU(A), dt.21.11.2008 and against the order passed by the Assistant Commissioner of Income Tax, Company Circle 1(3) Chennai, dt.4.12.07 made in GI No/PAN.AAACM4392C/CX2-007.

For Appellant : Mr.T.Ravikumar
Senior Standing Counsel (Taxes)

For Respondent : M/s.R.Venkata Narayanan
for Subbarayan Iyer Padmanabhan

J U D G M E N T
(Delivered by DR.VINEET KOTHARI,J.)

This Tax Case Appeal has been filed by the Revenue, calling in question the correctness of the order passed by the Income Tax Appellate Tribunal, Madras 'D' Bench, Chennai, dated 25.07.2012, in ITA No.439/Mds/2009, for the Assessment Year 2005-06, by raising the following substantial questions of law:

"(i)Whether on the facts and in the circumstances of the case, the Income

Tax Appellate Tribunal was right in holding that the expenditure incurred towards social and community welfare expenses amounting to Rs.109.88 lakhs are allowable expenditure?

(ii) Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in holding that the social welfare expenditure is allowable even though the same is not connected with the business of the assessee?"

2. When the matter is taken up for hearing, learned Senior Standing Counsel brought to our notice the Circular instruction issued by the Central Board of Direct Taxes vide Circular No.17/2019 dated 8th August 2019, wherein, it is stipulated that appeal shall not be filed/pursued by the Department before the High Court in cases where the tax effect does not exceed Rs.1,00,00,000/- (Rupees One Crore).

3. In the instant case, the tax effect is said to be less than the monetary limit imposed and therefore, the Appeal filed by the Revenue is dismissed, as withdrawn, keeping open the substantial questions of law for determination in appropriate cases. No costs.

Sd/-
Assistant Registrar(co)

//True Copy//

Sub Assistant Registrar

To

1.The Commissioner of Income Tax,
Chennai.

2.The Income Tax Appellate Tribunal,
Madras 'D' Bench, Chennai.

3.The Commissioner of Tax (Appeals)
Large Tax Payer Unit,
Chennai-101.

4.The Assistant Commissioner of Income tax,
Company Circle 1(3) Chennai.

Bis(co)
krd 17/7