IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 08.03.2021

CORAM

THE HON'BLE MR. JUSTICE M.DURAISWAMY
AND
THE HON'BLE MRS.JUSTICE T.V.THAMILSELVI

T.C.A.No.1500 of 2007

Commissioner of Income Tax,
Chennai. ... Appellant

Vs.

Hatson Agro Products Ltd.,
5A, Vijayaragava Road,
T.Nagar, Chennai – 600 017. ... Respondent

Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras, "A" Bench, dated 20.07.2007 in I.TA.No.2830/Mds/2005, Assessment Year 2002-03.

For Appellant : Mr.Karthik Ranganathan
Senior Standing Counsel

For Respondent : Mr.M.Kaushik
for Mr.S.Sridhar

JUDGMENT
(Judgment was delivered by M.DURAISWAMY, J.)

We have heard Mr.Karthik Ranganathan, learned Senior Standing Counsel for the appellant/Revenue and Mr.M.Kaushik for Mr.S.Sridhar, learned counsel for the respondent/assessee.

2.The appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 (for short, the Act) is directed against the order dated 20.07.2007 made in I.TA.No.2830/Mds/2005 on the file of the Income Tax Appellate Tribunal, Chennai, "A" Bench (for brevity, the Tribunal) for the Assessment Year 2002-03.

3.The appeal was admitted on 12.12.2007 on the following substantial questions of law:

> *"1.Whether in the facts and circumstances of the case, the Tribunal was right in holding that the deduction under Section 80IA should be allowed at 30% of the profit on the unit concerned before setting off the loss of other units as against the*

decision of the Hon'ble Supreme Court in the case of IPCA Laboratories reported in 266 ITR 521?

2.Whether in the facts and circumstances of the case, the Tribunal was right in holding that the expenditure on account of glow sign boards representing promotion and pre-operative expenses is allowable as a deduction?"

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5.In the light of the said submissions, the above Tax Case Appeal is dismissed as withdrawn on account of the Low Tax Effect. The substantial questions of law framed are left open. In the event the tax effect in this case 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.

[M.D., J.] **[T.V.T.S., J.]**
08.03.2021

Index : Yes/No
Internet : Yes
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To

1.The Income Tax Appellate Tribunal, Chennai, "A" Bench

2.The Commissioner of Income Tax,
Chennai.

M.DURAISWAMY, J.
and

T.V.THAMILSELVI, J.

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<u>T.C.A.No.1500 of 2007</u>

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