IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 01.09.2021

CORAM:

THE HON'BLE MR.JUSTICE T.S.SIVAGNANAM
AND
THE HON'BLE MR.JUSTICE SATHI KUMAR SUKUMARA KURUP

T.C.A.NO.39 OF 2009

Commissioner of Income Tax,
Chennai.

... Appellant

Vs.

MM Forgings Ltd.
Guindy House,
95, Anna Salai,
Chennai-32.

... Respondent

Prayer: Appeal filed under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras 'B' Bench dated 12.08.2008 in ITA No.370/mds/2008 relating to the Assessment Year 2000-01. Against the order of the Commissioner of Income Tax, Chennai – III, Chennai – 34 dated 17.12.2007 in C.No.3033/18/III/06-07 and against the order of the Assistant Commissioner of Income Tax, Company Circle IV(3), Chennai – 34 dated 15.04.2005 in PAN/GIR.No. AAACM2164L/MM-2 for the Assessment Year 2000 – 2001.

For Appellant : Mr.Karthik Ranganathan
Senior Standing Counsel

For Respondent : Mr.M.P.Senthil Kumar

J U D G M E N T

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

We have heard Mr.Karthik Ranganathan, learned Senior Standing Counsel for the appellant/Revenue and Mr.M.P.Senthil Kumar, learned counsel for the respondent/assessee.

2.The appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 (“the Act” for brevity) is directed against the order of the Income Tax Appellate Tribunal, Madras 'B' Bench dated 12.08.2008 in ITA No.370/mds/2008 relating to the Assessment Year 2000-01.

3.The appeal was admitted on 04.03.2009 on the following substantial question of law:

> “1)Whether on the facts and circumstances of the case, the Tribunal was right in quashing the order of the CIT passed under Section 263 by invoking the clause (c) to explanation on the presumption that the issue regarding the allowability of deduction under section 80I to the assessee in respect of the new unit of plant II for the eleventh assessment year 2000-01 was before CIT(A) for consideration?"

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 on account of the Low Tax Effect. The substantial question of law framed is 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.

Sd/-
Assistant Registrar(CS-IV)

// True Copy //

Sub Assistant Registrar

Sgl/mka

To

1. The Income Tax Appellate Tribunal,
   Madras, “B” Bench.

2. The Commissioner of Income Tax,
   Chennai III, Chennai.

3. The Assistant Commissioner of Income Tax,
   Company Circle IV(3),
   Chennai – 34.

4. The Commissioner of Income Tax,
   Chennai.

+1cc to Mr.M.P.Senthil Kumar, Advocate, S.R.No.44030

T.C.A.No.39 of 2009

AJS(CO)
RLP(23/09/2021)