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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 06.07.2021

CORAM

THE HON'BLE MR. JUSTICE M.DURAISWAMY
AND
THE HON'BLE MRS.JUSTICE R. HEMALATHA

T.C.A.No.277 of 2012

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

Vs.

M/s.Mainetti India Pvt. Ltd.,
3rd Floor, Florida Towers,
138/30, Nelson Manickam Road,
Chennai – 600 029. ... Respondent/Appellant

Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras, "B" Bench, dated 16.03.2012 in I.TA.No.1789/Mds/2011, Assessment Year 2007-08 and

Against the office of The Income Tax Department Dispute Resolution Panel (DRP) Chennai, Aayakar Bhavan, 121, Nungambakkam High Road, Chennai-34 and made in F.No.DRP/Chennai/Sectt/016/2011-2012 date of Duration 19/08/2011 and against the office of the Assistant Commissioner of Income Tax Company Circle IV(1), Chennai and made in PAN.No.AAACM68694M date of under 27/09/2011 for the Assessment year 2007 to 2008.

For Appellant : Mr.Karthik Ranganathan
Senior Standing Counsel

For Respondent : Mr.R.Sivaraman

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

We have heard Mr.Karthik Ranganathan, learned Senior Standing Counsel for the appellant/Revenue and Mr.R.Sivaraman, 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 16.03.2012 made in I.TA.No.1789/Mds/2011 on the file of the Income Tax Appellate Tribunal, Chennai, "B" Bench

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(for brevity, the Tribunal) for the Assessment Year 2007-08.

3.The appeal was admitted on 24.09.2012 on the following substantial questions of law:

> "1.Whether under the facts and circumstances of the case, the Income Tax Appellate Tribunal was correct in holding that the deduction under Section 10AA of the Income Tax Act, 1961 is allowable after the inclusion of the foreign exchange gain or loss to the export turnover?
>
> 2.Whether under the facts and circumstances of the case, the Income Tax Appellate Tribunal was correct in holding that the Arm's Length Price should be determined after taking into account the net effect of the purchase and sale of the goods between the Associate and Non Associated Enterprises?"

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.

Sd/-
Assistant Registrar(CS IX)

//True Copy//

Sub Assistant Registrar

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To

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

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2. The Dispute ResolutionPariel (DRP)
   Income Tax Department, Chennai-34.

3. The Commissioner of Income Tax,
   Chennai.

4. The Assistant Commissioner of Income Tax,
   Company Circle IV(1), Chennai.

T.C.A.No.277 of 2012

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