IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATE: 26.03.2021

CORAM:

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

T.C.A.No.1098 of 2015

The Commissioner of Income Tax,
Chennai ... Appellant

v.

M/s. Chettinad Morimura Semiconductor
Materials Pvt Ltd.,
No.37, Old Mahabalipuram Road,
Khazhipattur Village Padur Post,
Kancheepuram District - 603 103
PAN AAACC 2461 Q ... 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 12.06.2015 in ITA.No.50/Mds/2015 for the Assessment Year 2009-2010, against the order of the Commissioner of Income Tax(Appeals)-I, Chennai, dated 30/09/2014 made in ITA.No.209/13-14/A-1, against the order of the Assistant Commissioner of Income Tax, Company Circle(3), Chennai -34 for the Assessment year 2009-10.

For Appellant : Mrs. R.Hemalatha,
Senior Standing Counsel

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

JUDGMENT

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

We have heard Mrs. R.Hemalatha, learned Senior Standing Counsel for the appellant/Revenue and Mr.M. Kaushik 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 12.06.2015 made in ITA.No.50/Mds/2015 on the file of the Income Tax Appellate Tribunal, Chennai, ''A'' Bench (for brevity, the Tribunal) for the Assessment Year 2009-2010.

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

> *"(i) Whether on the facts and circumstances of the case, the Tribunal was right in allowing deduction claimed u/s 801A of the Act?*
>
> *(ii) Is not the finding of the Tribunal bad especially when the loss on account of depreciation on wind mills in the earlier year has to be set off notionally against the deduction as per deduction u/s.801A(5)?"*

4.The learned Senior Standing Counsel appearing 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5.In the light of the said submissions, the above Tax Case Appeal is dismissed as withdrawn on account of the Low Tax Effect.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 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

/True Copy/

Sub Assistant Registrar

To
1.The Income Tax Appellate Tribunal, Chennai, "A" Bench.
2.The Commissioner of Income Tax(Appeals)-I,Chennai.
3.The Assistant Commissioner of Income Tax,
Company Circle -I(3), Chennai.
4.The Commissioner of Income Tax, Chennai.

+1cc to Mr.T.Ravikumar, Advocate SR.NO..19753
+1cc to Mr.S.Sridhar, Advocate SR.NO..19748

AKM/28.04.21/2P-7C/ T.C.A.No.1098 of 2015
26.03.2021