IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 25.02.2021

CORAM

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

T.C.A.No.797 of 2013

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

Vs.

Shri.R.Ashokan,
Auro, D-37, Anna Nagar (East),
Chennai - 600 102. ... Respondent

Tax Case Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Chennai, "C" Bench, dated 05.09.2011 in I.T.A.No.2063/Mds/2010, Assessment Year 2000-01, against the order of the Commissioner of Income Tax(Appeals) dated 06.09.2010 and made in ITA.NO.4/2010-11 and against the order of the Assistant Commissioner of Income Tax-Company Circle VI (1), Chennai dated 08.03.2010 and made in PAN:AADPR6951J/2000-01/5123-P.

For Appellant : Mr.T.Ravikumar
Senior Standing Counsel

For Respondent : No appearance

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

We have heard Mr.T.Ravikumar, learned Senior Standing Counsel, for the appellant/Revenue.

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 05.09.2011 made in I.T.A.No.2063/Mds/2010 on the file of the Income Tax Appellate Tribunal, Chennai, "C" Bench (for brevity, the Tribunal) for the Assessment Year 2000-01.

3.The Revenue has raised the following substantial questions of law in the above appeal :

"1.Whether on the facts and circumstances of the case, the Income Tax Appellate Tribunal was right in upholding the order of the CIT(A) who held that the impugned order passed on invalid assumption of jurisdiction under Section 154 was bad?

2.Whether on the facts and circumstances of the case, the Income Tax Appellate Tribunal was right in not following the judgment of the Madras High Court in the case of Dollar Apparels reported in 294 ITR 484 wherein it was stated that the assessee would not be eligible for deduction u/s.80HHC in respect of interest income earned on deposit since there was no direct nexus between the interest income and export earnings ?"

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-VIII)

//True Copy//
Sub Assistant Registrar

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To

1.The Deputy/Assistant Registrar
Income Tax Appellate Tribunal,
Chennai, "C" Bench

2.The Commissioner of Income Tax,
121, Mahatma Gandhi Road,
Chennai-600 034.

3.The Assistant Commissioner of Income Tax,
Company Circle VI(1), Chennai-34.

+1cc to Mr.T.Ravi kumar, Sr.Standing Counsel, SR.11554

MP(CO)
CB(18/03/2021)