IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 01.02.2022

CORAM :

THE HONOURABLE MR.JUSTICE R. MAHADEVAN
AND
THE HONOURABLE MR.JUSTICE MOHAMMED SHAFFIQ

Tax Case Appeal No. 1305 of 2009

Commissioner of Income Tax
Tiruchirapalli
..Appellant/Respondent

Versus

Atlantic Fabrics
SF No. 1658 & 1659
Amaravathy Nagar
Andankoil, Karur 2 .. Respondent/Appellant

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order dated 20.07.2007 passed by the Income Tax Appellate Tribunal, Madras "D" Bench, in I.T.A.No.381/Mds/2007 and preferred appeal against the commissioner of Income Tax (Appeals) No.4, Williams Road, Contonment, Tiruchirapalli-620 001 order dated 17.11.2006 made in ITA.8/05-06 for the Assessment year 2003-2004 and preferred against the Deputy Commissioner of Income-Tax Circle II, No.10, Williams Road, Contonment, Trichy order dated 28.02.2006 made in PAN/GIR No.AAAFA4315Q/20-FA-26 for the Assessment year 2003-2004.

For Appellant : Mrs.V.Pushpa
Standing Counsel

For Respondent : Mr.N.Quadir Hoseyn

JUDGMENT

(Judgment was delivered by R. MAHADEVAN, J.)

This tax case appeal has been filed by the appellant / Revenue, calling in question the correctness of the order dated 20.07.2007 passed by the Income Tax Appellate Tribunal, 'D' Bench, Chennai, in I.T.A.No.381/Mds/2007, relating to the assessment years 2003-04.

2.By order dated 24.11.2009, this court admitted the aforesaid tax case appeal on the following substantial question of law:

"Whether on the facts and in the circumstances of the case, the Tribunal was right in holding that deduction u/s.80HHC is allowable on DEPB amounts and duty draw back as claimed by the assessee, who is a supporting manufacturer?"

3. When the matter was taken up for consideration, the learned counsel for the appellant / Revenue brought to the notice of this court the Circular No.17/2019 dated 08.08.2019 issued by the Central Board Direct Taxes, wherein, it is stipulated that appeals shall not be filed/pursued by the Department before the High Court in cases where the tax effect does not exceed Rs.1,00,00,000/- (Rupees One Crore). It is also submitted that the tax effect in this appeal is less than the threshold limit.

4. In the light of the aforesaid submissions made by the learned counsel for the appellant / Revenue, the present appeal, wherein, the tax effect is said to be less than the monetary limit imposed, is dismissed as withdrawn, keeping open the substantial question of law for determination in an appropriate cases. No costs.

Sd/-
Assistant Registrar(CS-IX)

//True Copy//

Sub Assistant Registrar

dhk

To

1. The Commissioner of Income Tax
   Tiruchirapalli

2. The Income Tax Appellate Tribunal,
   Madras "D" Bench.

3. The Commissioner of Income Tax (Appeals)
   Tiruchirapalli

4. The Deputy Commissioner of Income Tax Circle-II,
   No.10, Williams Road, Contonment, Trichy.

+1cc to Mr.N.Quadir Hoseyn, Counsel for the Respondent,
S.R.No.5920

TCA No. 1305 of 2009

KJ(CO)
RGA(18/02/2022)(21/02/2022)