IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 08.02.2022

CORAM:

THE HON'BLE MR.JUSTICE R.MAHADEVAN
AND
THE HON'BLE MR.JUSTICE J.SATHYA NARAYANA PRASAD

T.C.A.NO.19 OF 2012

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

Versus

M/s.Hardy Exploration and
Production (India) Inc.
Floor 5, West Minister Building,
108, Radakrishnan Salai,
Chennai - 600 004. ... Respondent

PRAYER:- Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Chennai, "A" Bench, dated 09.06.2011 in I.TA.No.2154/Mds/2010 preferred against the Order dated 15/09/2010 passed by the Income Tax Officer (HQ) & Secretary, Dispute Resolution Panel, Chennai made in F.No.DRP/Chennai/Sectt.029 & 30/2010-11, against the Order dated 30/12/2009 made in PAN.No.AAACV2469H passed by the Assistant Director of Income Tax, International Taxation, Chennai - 34 for the assessment year 2002-2003.

For Appellant : Mr.Karthik Ranganathan,
Senior Standing Counsel

For Respondent : M/s.Venkatanarayanan
For Mr.Subbaraya Aiyar

J U D G M E N T

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

This tax case appeal has been filed by the appellant/Revenue, challenging the order dated 09.06.2011 passed by the Income Tax Appellate Tribunal, Bench 'A', Chennai, in I.T.A.No.2154/Mds/2010, relating to the assessment year 2002-03.

2. By order dated 13.03.2012, this court admitted the aforesaid tax case appeal on the following substantial questions of law:

> “(i) Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in holding that the Site Restoration Expenses was an ascertained liability, when the production sharing contract has not outlined any specific modalities for site restoration expenses?
>
> (ii) Whether on the facts and in the circumstances of the case, the Appellate Tribunal was right in holding that the site restoration expenditure is an allowable expenditure while computing thee book profit under Section 115JB of the Income Tax Act?”

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 appeal 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 questions of law for determination in an appropriate case. No costs.

Sd/-
Assistant Registrar(CS VI)

//True Copy//

Sub Assistant Registrar

vm/kas

To

1. The Commissioner of Income Tax,
Chennai.

2. The Income Tax Appellate Tribunal,
   Chennai, "A" Bench.

3. The Deputy Commissioner of Income Tax,
   Larger Taxpayer Unit,
   Chennai.

4. The Assistant Director of Income Tax,
   International Taxation,
   Chennai – 34.

5. The Income Tax Officer (HQ) & Secretary,
   Dispute Resolution Panel,
   Chennai.

T.C.A.NO.19 OF 2012

SSV(CO)
PBS/24/02/2022