IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated:13.02.2017

Coram:

The Hon'ble Mr.Justice HULUVADI G.RAMESH
AND
The Hon'ble Dr. Justice ANITA SUMANTH

TAX CASE APPEAL No.815 of 2008

The Commissioner of Income Tax,
Salem .. Appellant

Versus

Sambandam Siva Textiles Ltd.,
Kattuveppalai Patti,
Seshanchavadi,
Salem 636 014. .. Respondent

Tax Case Appeal file under Section 260-A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal "D" Bench, Chennai dated 6th October 2006 passed in I.T.A.No.1744/Mds/2006.

For Appellant .. Mr.J.Narayanasamy

JUDGMENT

The Tax Case Appeal filed by the Revenue calling in question the correctness of the order passed by the Income Tax Appellate Tribunal, "D" Bench, Chennai dated 6th October 2006 in ITA.No.1744 /Mds/2006 has been admitted on 4.7.2008 for consideration of the following substantial questions

HULUVADI G. RAMESH, J.

&

DR.ANITA SUMANTH, J.

of law:

> *"1. Whether the replacement of machinery parts will amount to revenue expenditure or not?*
>
> *2. Whether bringing into existence of a new asset or obtaining a new advantage would amount to revenue expenditure or not?"*

2. Circular instruction issued by the Central Board of Direct Taxes No.21/2015, dated 10.12.2015 stipulates that appeals shall not be filed/pursued by the Department before the High Court in cases where the tax effect does not exceed Rs.20 lakhs. In the instant case, the tax effect is less than the monetary limit imposed and the appeal is hence, dismissed as not pressed, preserving the substantial questions of law for determination in an appropriate case. No costs.

(H.G.R.,J) (A.S.M.,J)
13.02.2017

msr

TAX CASE APPEAL No.815 of 2016