IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 2.11.2018

CORAM

THE HON'BLE MR.JUSTICE HULUVADI G. RAMESH
AND
THE HON'BLE MR.JUSTICE K.KALYANASUNDARAM

Tax Case Appeal No.28 of 2018
and
C.M.P.No.345 of 2018

Principal Commissioner of Income Tax 2
No.63, Race Course Road,
Coimbatore. ... Appellant

Vs.

M/s. The Zigma Technologies (I)(P) Ltd.,
No.747, Amar Complex, S.K.C.Road,
Erode 638 001.
PAN: AAC CT 0611K ... Respondent

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, Madras 'D' Bench, Chennai, dated 3.4.2017 made in ITA No.2722/Mds/2016.

For Appellant : Mr.T.R.Senthil Kumar
Standing Counsel

J U D G M E N T
(Delivered by Huluvadi G.Ramesh,J)

This Tax Case Appeal has been filed by the Revenue calling in question the correctness of the order passed by the Income Tax Appellate Tribunal, Madras Madras 'D' Bench, Chennai, dated 3.4.2017 made in ITA No.2722/Mds/2016, by raising the following substantial question of law:

"Whether the Tribunal is correct in following the earlier order in the assessee's own case for the assessment year 2010-11 wherein the entire expenses were allowed in the fifth year of the contract and whereas in the present contract, entire expenditure is allowed in the first year itself which is against the principle of Matching concept?"

2. When the matter is taken up for admission, the learned Standing Counsel brought to our notice the Circular instruction issued by the Central Board of Direct Taxes vide Circular No.3/2018 dated 11.7.2018 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.50 lakhs.

3. In the instant case, the tax effect is less than the monetary limit imposed and therefore, the appeal is dismissed as not pressed, preserving the substantial question of law for determination in an appropriate case. The connected miscellaneous petition is closed.

Sd/-
Assistant Registrar(CS IX)

//True Copy//

Sub Assistant Registrar

ssk

To

1. The Income Tax Appellate Tribunal,
Madras D Bench, Besant Nagar, Chennai.

Copy To:

1. Principal Commissioner of Income Tax 2
No.63, Race Course Road,
Coimbatore.

2. M/s. The Zigma Technologies (I)(P) Ltd.,
No.747, Amar Complex, S.K.C.Road,
Erode 638 001.
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TCA No.28 of 2018

CSL/30.11.2018