IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 6.9.2019

CORAM

THE HON'BLE DR.JUSTICE VINEET KOTHARI
AND
THE HON'BLE MR.JUSTICE C.SARAVANAN

TAX CASE NO.1171 OF 2008

Commissioner of Income Tax
Salem ... Appellant

Vs.

M/s.Sree Uma Parameswari Mills Ltd.,
5/119, 2nd Street, State Bank Colony,
P.B.No.402, Salem 636 004. ... Respondent

Tax Case filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, 'D' Bench, Chennai, dated 20.5.2005 made in ITA No.522/Mds/1999.

Against the order of the Commissioner of Income Tax Appeals - VII, Chennai dated 30.12.1998 and made in ITA.No.508C/1998-1999 for the Assessment year 1995-1996.

against the order of the Deputy Commissioner of Income Tax, Special Range, Salem-7, dated 30.03.1998 in PAN/GIR/No.47-012-CV-0437.

For Appellant : Mr.M.Swaminathan
Senior Standing Counsel assisted by
Ms.V.Pushpa, Jr.Standing Counsel

For Respondent : No appearance.

J U D G M E N T
(Delivered by DR.VINEET KOTHARI,J)

This Tax Case has been filed by the Revenue, calling in question the correctness of the order passed by the Income Tax Appellate Tribunal, 'D' Bench, Chennai, dated 20.5.2005 made in ITA No.522/Mds/1999, for the Assessment Year 1995-1996, by raising the following substantial question of law:

"Whether, on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in holding that expenditure on replacement of old machinery by purchase and installation of new machinery was allowable as revenue expenditure?"

2. When the matter is taken up for hearing, learned Senior Standing Counsel brought to our notice the Circular instruction issued by the Central Board of Direct Taxes vide Circular No.17/2019 dated 8th August 2019, 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).

3. In the instant case, the tax effect is said to be less than the monetary limit imposed and therefore, the Appeal filed by the Revenue is dismissed, as withdrawn, keeping open the substantial question of law for determination in appropriate cases. No costs.

Sd/-
Assistant Registrar(CCC)

//True Copy//

Sub Assistant Registrar

ssk

To

1. The Commissioner of Income Tax
   Salem

2. Income Tax Appellate Tribunal,
   'D' Bench, Chennai.

3. The Commissioner of Income Tax,
   Appeals VII, Chennai-34.

4. Deputy Commissioner of Income Tax,
   Special Range, Salem-7.

Tax Case No.1171 of 2008

BP(CO)
CS/03/11/2020