IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 27.08.2019

CORAM :

The Honourable Mr.Justice T.S.SIVAGNANAM
and
The Honourable Mrs.Justice V.BHAVANI SUBBAROYAN

Tax Case Appeal No.132 of 2015

The Commissioner of Income Tax,
Chennai. ..Appellant

Vs

M/s.Argus Cosmetics Ltd.,
4, Sujatha Centre, Seshadri Road, Alwarpet,
Chennai - 600 018. ...Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 25.09.2013 made in ITA.No.1275/MDS/2013 on the file of the Income Tax Appellate Tribunal, Chennai 'C' Bench for the assessment year 2007-08 and Against the order of the Commissioner of Income Tax Appeals VI,Chennai dated 22.11.2013 made in ITA.NO.115/2012-2013 for the Assessment Year(AY) 2007-2008.

and Against the order dated 30.09.2009 made Under Section 143(3) of the IT.ACT 196/ on the file of the Deputy Commissioner of Income Tax Company Circle (1), Chennai.

For Appellant : Mr.T.Ravikumar, SSC
and Ms.R.Hemalatha, SSC
For Respondent : No appearance

JUDGMENT
(Judgment was delivered by T.S.Sivagnanam,J.)

We have heard Mr.T.Ravikumar, learned Senior Standing Counsel, and Ms.R.Hemalatha, learned Senior Standing Counsel appearing for the appellant/revenue.

2.This appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 is directed against the order dated 25.09.2013 made in ITA.No.1275/MDS/2013 on the file of the Income Tax Appellate Tribunal, Chennai 'C' Bench for the assessment year 2007-08.

3.The appeal was admitted on 23.03.2015 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 the depreciation for the assessment year 1997-98 to 1999-2000 can be carried forward in total forever especially when Section 32(2) prior to 01.04.2002 had clearly stated the same could not be carried forward for more than 8 years?"

4.The learned Senior Standing Counsel for the appellant submits that the above appeal is not pursued by the Revenue on account of the low tax effect in terms of Circular No.17/2019 dated 08.8.2019 issued by the Central Board of Direct Taxes. By the said Circular, the monetary limit for filing or pursuing an appeal before the High Court has been increased to Rs.1 Crore. It is further submitted that the tax effect in this case is less than the threshold limit.

5.In the light of the said submissions, the above tax case appeal is dismissed on account of the low tax effect. The substantial question of law framed is left open. In the event the tax effect is above the threshold limit fixed in the said circular, liberty is granted to the Revenue to make a mention to this Court to restore the appeal to be heard and decided on merits. No costs.

Sd/-
Assistant Registrar(CS)

//True Copy//

Sub Assistant Registrar

To

1.The Income Tax Appellate Tribunal, Chennai 'C' Bench.

2.The Commissioner of Income Tax Appeals VI,Chennai
3.The Deputy Commissioner of Income Tax, Company Circle (1), Chennai.
+1cc to Mr.T.Ravikumar , Advocate SR.No. 73331

TCA.No.132 of 2015
A.SK(31/10/2019)