In the High Court of Judicature at Madras

Dated : 28.08.2019

Coram :

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

Tax Case Appeal No.371 of 2018

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

Vs

M/s.Caterpillar India Pvt. Ltd.,
7th Floor, International Tech Park,
Taramani Road, Taramani,
Chennai - 600 113.
PAN: AABCC4615K ... Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 05.04.2017 made in ITA.No.365/MDS/2012 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench for the assessment year 2007-08, against the order of the Deputy Commissioner of Income Tax Large Tax Payer Unit, Chennai dated 28/10/2011 and made in GI No./P.A No.AABCC4615K.

For Appellant : Mr.T.Ravikumar, SSC
and Ms.R.Hemalatha, SSC

For Respondent: Mr.S.P.Chidambaram

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 and Mr.S.P.Chidambaram, learned counsel appearing for the respondent/assessee.

2.This appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 is directed against the order dated 05.04.2017 made in ITA.No.365/MDS/2012 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench for the assessment year 2007-08.

3.The appeal was admitted on 10.07.2018 on the following substantial question of law :

> “Whether deduction under Section 10A of the Income Tax Act, 1961, may be allowed without reducing the brought forward losses pertaining to the year subsequent to the Assessment Year and setting the same off against gains of business in the current year?"

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(CCC)

//True Copy//

Sub Assistant Registrar

To

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

2.The Deputy Commissioner of Income Tax,
Large Tax Payer Unit, Chennai.

+1cc to Mr.S.P.Chidambaram, Advocate Sr.74234

TCA.No.371 of 2018

mp[co]
srg 08/11/2019