IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 26.08.2019

CORAM

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM
and
THE HONOURABLE MRS.JUSTICE V.BHAVANI SUBBAROYAN

Tax Case Appeal No.984 of 2014

Commissioner of Income Tax,
Coimbatore. .. Appellant/Respondent

-vs-

M/s.Dresser Valve India P Ltd.,
SF 608, Chettipalayam Road,
Eachanari Post,
Coimbatore-641 021. .. Respondent/Appellant

Appeal under Section 260A of the Income-tax Act, 1961, against the order dated 05.08.2013, made in I.T.A.No.2103/Mds/2011 on the file of the Income-tax Appellate Tribunal 'B' Bench, Chennai for the assessment year 2007-08.

T.C.A.No.984 of 2014:
As the against the order of the Income Tax Department, Assistant Commissioner of Income Tax, Company Circle-1(1) Coimbatore, P.A. No./GIR. No. AACD7199L, Assessment year 2007-2008 dated as order 13.10.2011, as against the order of the Government of India, Ministry of Finance, Income Tax Department Dispute Resolution Panel(DRP) Chennai PAN No. AAACD2199L Assessment year 2007-2008 order dated 14.09.2011.

For Appellant : Mr.T.R.Senthil Kumar,
Senior Standing Counsel
: assisted by Ms.K.G.Usharani,
Standing Counsel
For Respondent : Mr.Sandeep Bagmar

JUDGMENT
(Delivered by T.S.Sivagnanam, J.)

This appeal, filed by the Revenue under Section 260A of the Income-tax Act, 1961 is directed against the order dated 05.08.2013, made in I.T.A.No.2103/Mds/2011 on the file of the Income-tax Appellate Tribunal 'B' Bench, Chennai for the assessment year 2007-08.

2.The above appeal was admitted on 02.12.2014, on the following substantial questions of law:-

> "Whether under the facts and circumstances of the case, the Income Tax Appellate Tribunal was right in holding that no adjustment of Arms Length price is called for in respect of global sourcing charges and agency commission receipts of the assessee?"

3.Heard Mr.T.R.Senthil Kumar, learned Senior Standing Counsel assisted by Ms.K.G.Usharani, learned Standing Counsel for the appellant - and Mr.Sandeep Bagmar, learned counsel for the respondent.

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 08.08.2019 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.

s/d-
Assistant Registrar(CS VIII)

True Copy

Sub-Assistant Registrar

abr
To
1.The Income-tax Appellate Tribunal 'B' Bench, Chennai.

2.M/s.Dresser Valve India P Ltd.,
SF 608, Chettipalayam Road,
Eachanari Post, Coimbatore-641 021.
+1 CC to Mr. Sandeep Bagmar, Advocate sr 73873.
+1 CC to Mr.T.R.Senthil Kumar, Advocate sr 72914.

T.C.A.No.984 of 2014

PP(CO)
SP(25/10/2019)