IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 06.7.2020

CORAM :

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM

AND

THE HONOURABLE MRS.JUSTICE V.BHAVANI SUBBAROYAN

TAX CASE APPEAL NO.385 OF 2018

Principal Commissioner of
Income Tax-1, Coimbatore ...Appellant/Respondent

Vs

M/s.Sakthi Sugars Ltd.,
Coimbatore-18 ...Respondent/Appellant

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 23.6.2017 made in ITA.No.866/Mds/2016 on the file of the Income Tax Appellate Tribunal, Chennai 'C' Bench for the assessment year 2010-11 and against the order dated 14/01/2006 made in ITA No.276/13-14 on the file of the Commissioner of Income Tax (Appeals)-1, Coimbatore for the assessment year 2010-11 and against the order dated 30/03/2013 made in PAN No/G.I.R. No.AADCS0651B on the file of the Deputy Commissioner of Income Tax, Company Circle-I(1), Coimbatore for the Assessment year 2010-11.

For Appellant : Mr.T.R.Senthilkumar, SSC assisted by Ms.K.G.Usharani, SC
For Respondent: Mr.Vijayaraghavan for M/s.Subbaraya Aiyer Padmanabhan

Judgment was delivered by T.S.Sivagnanam,J

We have heard Mr.T.R.Senthilkumar, learned Senior Standing Counsel, assisted by Ms. K.G.Usharani, learned Standing Counsel appearing for the appellant - Revenue and Mr.Vijayaraghavan, learned counsel appearing for the respondent.

2. This appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 (for short, the Act) is directed

against the order dated 23.6.2017 made in ITA.No.866/Mds/2016 on the file of the Income Tax Appellate Tribunal, Chennai 'C' Bench (for brevity, the Tribunal) for the assessment year 2010-11.

3. The appeal has been admitted on 02.8.2018 on the following substantial question of law :

> "Whether the Appellate Tribunal is right in allowing depreciation on the plant and machinery of the Sivagangai Beverages Unit of the assessee, when that unit never commenced commercial production and the assets were not 'put to use' for production ? "

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

//True Copy//

Sub Assistant Registrar

RS

To

1.The Principal Commissioner of Income Tax'1',
Coimbatore.

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

3.The Commissioner of Income Tax(Appeals)-1,
Coimbatore.

4.The Deputy commissioner of Income Tax,
Company Circle-I(1),
Coimbatore.

TCA.No.385 of 2018

NR(CO)
KKV/17/08/2020