IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 29.08.2019

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

Tax Case Appeal Nos.234 and 235 of 2017
and
C.M.P.No.7971 of 2017

Principal Commissioner of Income Tax 2,
No.121, Mahatma Gandhi Road,
Chennai. .. Appellant in both Appeals

-vs-

M/s.EIH Associated Hotels Ltd.,
1/241, GST Road, Meenambakkam,
Chennai-600 027.
PAN: AAA CE 2125 M .. Respondent in both Appeals

Appeals under Section 260A of the Income-tax Act, 1961, against the common order dated 28.10.2016, made in I.T.A.Nos.622 & 662/Mds/2016 on the file of the Income Tax Appellate Tribunal 'B' Bench, Chennai for the assessment year 2011-12, and against the order dated 13/01/2016 made in ITA.NO.145/CIT(A)-6/2014-15 passed by the Commissioner of Income-Tax(Appeals)6, Chennai and against the order dated 28/03/14 passed by the Assistant Commissioner of Income-Tax Company Range 2/ Corporate Circle 2 (1), Chennai made in PAN.GIR.NO. AAACE2125M.

For Appellant : Mr.Karthik Ranganathan,
(In both Appeals) Senior Standing Counsel

: assisted by Mr.S.Rajesh,
Standing Counsel

For Respondent : Mr.N.V.Balaji
(In both Appeals)

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COMMON JUDGMENT

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

These appeals filed by the Revenue under Section 260A of the Income-tax Act, 1961 are directed against the common order dated 28.10.2016, made in I.T.A.Nos.622 & 662/Mds/2016 on the file of the Income Tax Appellate Tribunal 'B' Bench, Chennai for the assessment year 2011-12.

2.The appeals have been admitted on 01.06.2017, on the following substantial questions of law:-

> "(i) Whether the Tribunal was right in holding that claim of expenditure has to be considered after working out the actual investments made by the assessee during the relevant previous year after excluding the investments made by it in its subsidiaries? And
>
> (ii) Whether total disallowance under Section 14A of the Income Tax act can exceed the exempt income or is to be restricted to profit under Section 115JB of the Income Tax Act read with Rule 8D of the Income Tax Rules?"

3.Heard Mr.Karthik Ranganathan, learned Senior Standing Counsel assisted by Mr.S.Rajesh, learned Standing Counsel for the appellant - and N.V.Balaji, learned counsel for the respondent.

4.The learned Senior Standing Counsel for the appellant submits that the above appeals are 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 appeals are dismissed on account of the low tax effect. The substantial questions of law framed are 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 appeals to be heard and decided on merits. No costs. Consequently, connected miscellaneous petition is closed.

Sd/-
Assistant Registrar(CO)

//True Copy//

Sub Assistant Registrar
(abr)

To

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

2. The Commissioner of Income Tax(Appeals)6,
Chennai.

3.The Assistant Commissioner of Income Tax,
Company Range 2(1)/
Corporate Circle 2(1), Chennai.

T.C.A.Nos.234 and 235 of 2017

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