IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 24.09.2018

CORAM

THE HON'BLE MR.JUSTICE HULUVADI G. RAMESH
AND
THE HON'BLE MR.JUSTICE K.KALYANASUNDARAM

Tax Case Appeal No.708 of 2018

The Commissioner of Income Tax
Chennai. .. Appellant

Vs.

M/S.Agile Electric Sub Assembly Pvt Ltd.
A-33, A34 and A36, Phase-I
MEPZSEZ, Tambaram
Chennai-600 045. .. Respondent

PAN : AABCI3929C

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, Madras 'A' Bench, Chennai, dated 28.12.2017 in ITA No.1840/Mds/2017 against the order of Principal Commissioner of Income Tax (Appeails)I,Chennai dated 23-05-2017, in ITA No.198/CIT9(A)-1/2015-16 against the order dated 23.03.2015 by the Deputy Commissioner of Income Tax Corporate Circle-1(1), Chennai, against PAN No.AABC13929C.

For Appellant : Ms.Hemalatha
Standing Counsel

J U D G M E N T
(Delivered by Huluvadi G.Ramesh,J)

This Tax Case Appeal has been filed by the Revenue calling in question the correctness of the order passed by the Income Tax Appellate Tribunal, Madras 'A' Bench, Chennai, dated 28.12.2017 in ITA No.1840/Mds/2017, by raising the following substantial questions of law:

"(i) Whether on the facts and in the circumstances of the case the Tribunal was correct in holding that the disallowance under Section 14A of the Income Tax Act amounting to Rs.1.20 Crores is to be made only if the Assessee earns the exempt income during the relevant previous year when the provisions of the said Section does not state so?"

2. When the matter is taken up for admission, the learned Standing Counsel brought to our notice the Circular instruction issued by the Central Board of Direct Taxes vide Circular No.3/2018 dated 11.07.2018 wherein it is stipulated that appeal shall not be filed/pursued by the Department before the High Court in cases where the tax effect does not exceed Rs.50 lakhs.

3. In the instant case, the tax effect is less than the monetary limit imposed and therefore, the appeal is dismissed as not pressed, preserving the substantial questions of law for determination in an appropriate case. No costs.

Sd/-
Assistant Registrar(CS-V)

//True copy//

Sub Assistant Registrar

kj
To
1. The Income Tax Appellate Tribunal,Madras 'A' Bench.

2. The Principal Commissioner of Income Tax (Appeals)I,
121, Mahatma Gandhi Road, Chennai-34.

3. The Deputy Commissioner of Income Tax
Corporate circle I(1), Chennai.

+1cc to Mr.T.Ravikumar, Advocate SR.No.66002

Tax Case Appeal No.708 of 2018

GMY(24/10/2018)