In the High Court of Judicature at Madras

Dated : 27.08.2019

Coram :

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

Tax Case Appeal No.241 of 2015

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

Vs

M/s.Dewa Properties Ltd.,
No.770A, II Floor Dewa Tower-I,
Anna Salai, Chennai - 600 002. ...Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 22.04.2014 made in ITA.No.491/MDS/2013 on the file of the Income Tax Appellate Tribunal, Chennai 'A' Bench for the assessment year 2006-07 as against the order dated 31.10.2013 of the Commissioner of Income Tax(Appeals)II, Central Chennai for the Assessment year 2006-2007 in PAN No. AAACS5085Q, and against the order dated 07.12.2011 of the Assistant Commissioner of Income Tax, Chennai and as against the order dated 27.09.2010 of the Commissioner of Income Tax, Chennai for the Assessment year 2006-2007 in PAN.No. AAACS5085Q.

For Appellant : Mr.T.Ravikumar, SSC
For Respondent: Mr.R.Sivaraman

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.R.Sivaraman, 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 22.04.2014 made in ITA.No.491/MDS/2013 on the file of the Income Tax Appellate Tribunal, Chennai 'A' Bench for the assessment year 2006-07.

3.The appeal was admitted on 22.07.2015 on the following substantial questions of law :

"i) Whether on the facts and in the circumstances of the case, the Appellate Tribunal was right in restricting the disallowance made under Section 14A read with Rule 8D when Section 14A(2) provides that the disallowance may be determined in accordance with such rule as may be prescribed?

ii) Is not the finding of the Tribunal wrong especially when the Assessing Officer could make disallowance under Section 14A in accordance with the method prescribed under Rule 8D?"

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 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 appeal to be heard and decided on merits. No costs.

s/d-
Assistant Registrar(CS VI)

True Copy

Sub-Assistant Registrar

To

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

+1 CC to Mr.T.Ravikumar, Advocate sr 73321.

TCA.No.241 of 2015

SVI(CO)
SP(06/11/2019)