IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 20.11.2019

CORAM :
THE HONOURABLE MR.JUSTICE N.KIRUBAKARAN
and
THE HONOURABLE MR.JUSTICE P.VELMURUGAN

T.C.A.Nos.150 & 151 of 2018

Principal Commissioner of Income Tax-2
No.108, Mahatma Gandhi Road,
Chennai 600 034. ... Appellant (in both appeals)

Vs

M/s.Farida Shoes Pvt. Ltd.,
No.151/4, Mount Poonamallee Road,
Ramapuram, Chennai 89.
PAN: AAACF 0496Q ... Respondent (in both appeals)

PRAYER in T.C.A.No.150 of 2018: Appeal under Section 260A of Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal Madras "A" Bench, dated 08.01.2016 in ITA.No.2102/Mds/2015.
PRAYER in T.C.A.No.151 of 2018: Appeal under Section 260A of Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal Madras "A" Bench, dated 08.01.2016 in ITA.No.2103/Mds/2015.

Prayer in TCA.NO.150&151/2018:
Appeal against the order of the Income Tax Appellate Tribunal Madras A Bench, dated 8.01.2016 in ITA.No.2102,2103/mds/2015 against year 2011&2012-2012&2013 against the order of the Deputy commissioner income Tax PAN: AAACF 0496Q Assessment Year 2012-2013 dated 22.01.2015 against Deputy commissioner Income Tax Salary circle-I,Chennai PAN/GIR: AAACF 0496Q Assessment Year 2011-2012 order dated 10.03.2014.

For Appellant :Mr.Karthik Ranganathan
Senior standing counsel
(in both appeals)

For Respondent :Mr.Philip George
(in both appeals)

J U D G M E N T

(Judgment of the Court was delivered by N.KIRUBAKARAN, J)

The Appeals have been preferred by the Revenue against the order of the Income Tax Appellate Tribunal "A" Bench, Chennai, dated 08.01.2016 in ITA.Nos.2102 & 2103/Mds/2015 for the Assessment years 2011-12 & 2012-13.

2.The orders of the CIT(A) in ITA No.7 & 243/CIT(A)-6/14-15 dated 18.05.2015 were challenged before the Tribunal by the Revenue in ITA Nos.2102 & 2103/Mds/2015. The Appellate Tribunal rejected the contention of the Revenue and dismissed the same. Against the order of the Appellate Tribunal only, present appeals have been filed.

3.These appeals were admitted on 10.04.2018 on the following substantial questions of law :

> "(i).Whether the Tribunal erred in law in holding that in computing disallowance under Section 14A of the Income Tax Act, 1961 read with Rule 8D(ii) of the Income Tax Rules, 1962, interest pertaining to loss taken for business purposes would have to be excluded?
>
> (ii).Whether the Tribunal erred in deleting the proportionate disallowance of foreign travel expenses of a Director?
>
> (iii).Whether the decision of the Tribunal is vitiated by an error with regard to the provisions of the Income Tax Act under which addition and/or disallowance were made by the Assessing Officer?"

4.Mr.Karthik Ranganathan, learned Senior Standing Counsel appearing on behalf of the appellant would submit that the tax effect in these cases are less than Rs.1 crore and are covered by Circular No.17/2019 dated 08.08.2019 issued by the Director, Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India, Delhi. As per the said circular, the monetary limit to file an appeal before the High Court is fixed at Rs.1 crore. In these cases, tax effect is less than Rs.1 crore and therefore, these cases have to be dismissed.

5.This Court perused the circular dated 08.08.2019 and Paragraph No.2 of the said Circular, which prescribes monetary limit for filing appeal is usefully extracted as follows:

2.As a step towards further management of litigation, it has been decided by the Board that monetary limits for filing of appeals in income-tax cases be enhanced further through amendment in Para 3 of the Circular mentioned above and accordingly, the table for monetary limits specified in Para 3 of the Circular shall read as follows:

S.No.	Appeals / SLPs in Income-tax matters	Monetary Limit (Rs.)
1.	Before Appeallate Tribunal	50,00,000
2.	Before High Court	1,00,00,000
3.	Before Supreme Court	2,00,00,000

6.In view of the submissions made by the learned counsel appearing on behalf of the appellant and also in view of the Circular No.17/2019 dated 08.08.2019 issued by the Director, Central Board of Direct Taxes, Delhi, the Tax Case Appeals are dismissed on account of tax effect. However, the substantial questions of law framed is left open. In the event the tax effect is above the 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.

Sd/-
Assistant Registrar(CS)

//True Copy//

Sub Assistant Registrar

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To

1.The Principal Commissioner of Income Tax-2
No.108, Mahatma Gandhi Road,
Chennai 600 034.

2.Income Tax Appellate Tribunal 'A' Bench, Chennai.

3.The Deputy Commissioner of Income tax ,
Salary circle I,Chennai

4.The Deputy commissioner of Income tax,
Corporate circle 2(1), Room No.511,
Wanapathy Block,
121, Mahatma gandhi Road,
Nungambakkam,chennai 34.

+1cc to Mr.Philip George , Advocate SR.No. 96537

A.SR(29/01/2020)