In the High Court of Judicature at Madras

Dated : 02.1.2019

Coram :

The Honourable Mr.Justice T.S.SIVAGNANAM
and
The Honourable Mr.Justice N.SATHISH KUMAR

Tax Case Appeal No.218 of 2018

Principal Commissioner of Income
Tax-6, Chennai-34 ...Appellant/Appellant

Vs

M/s.Sundaram Claytons Ltd.,
Chennai-6. ...Respondent/Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 05.5.2017 in ITA No.2936/Mds/2016 on the file of the Income Tax Appellate Tribunal Madras 'B' Bench for the assessment year 2006-07 against the order of the Commissioner of Income Tax (Appeals) 15,121, Mahathma Gandhi Road, Nungambakkam, Chennai 34 order dated 15.07.2016 and made in I.T.A. No. 581/CIT(A) -15/13-14 for the Assessment year 2006-2007 and against the order of the Assistant Commissioner of Income Tax, Company Circle VI(4) Chennai 121, Mahathma Gandhi Road, Nungambakkam Chennai 34 order dated 27/01/2014 and made in PAN-AAACS492oJ for the Assessment year 2006-2007.

For Appellant : Mr.T.R.Senthilkumar, SSC & Ms.K.G.Usharani, JSC

For Respondent : M/s.Subbaraya Aiyer Padmanabhan

Judgment was delivered by T.S.SIVAGNANAM,J

Heard the learned Standing Counsel for the appellant.

2. This appeal by the Revenue challenges the order passed by the Income Tax Appellate Tribunal, which decided the issue in favour of the assessee. The Revenue has filed the appeal by raising the following substantial question of law :

> “Whether the Appellate Tribunal was right in holding that Rule 8D is not applicable for the pending proceedings

relating to assessment year 2006-07 when the Income Tax Rules are held to be procedural in nature and applicable for all pending proceedings as held by the Apex Court in the case of CWT Vs. Sharavan Kumar Swarup & Sons [reported in 210 ITR 886] ?”

3. The Revenue seeks to withdraw this appeal on account of low tax effect in terms of Circular No.3 of 2018 dated 11.7.2018 issued by the Central Board of Direct Taxes.

4. In the light of the above, the appeal is dismissed as withdrawn and the substantial question of law raised is left open. In the event the tax effect is above the threshold limit fixed in the said circular under exceptional clauses mentioned in the 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 VIII)

True Copy

Sub-Assistant Registrar

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

2. The Commissioner of Income Tax(Appeals)-15
Chennai 34.

3. The Assistant Commissioner of Income Tax
Company Circle VI(4) Chennai 34

+1 CC to Mr.T.R.Senthilkumar, Advocate sr 205.
+1 CC to Mr. Subbaraya Aiyar, Advocate sr 222.

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RV(CO)
SP(18/02/2019)