

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.43 OF 2016

The Commissioner of Income
Tax, Chennai

...Appellant

Vs

M/s.Chemise Indus P. Ltd.
Chennai-77

...Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 27.6.2014 in ITA No.630/Mds/2014 on the file of the Income Tax Appellate Tribunal Madras 'A' Bench for the assessment year 2003-04.

For Appellant : Mr.T.Ravikumar, SSC

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 appeal was admitted on 25.1.2016 on the following substantial questions of law :

"i. Whether, on the facts and in the circumstances of the case, the Tribunal was right in deleting the addition made under Section 2(22)(e) of the Income Tax Act?

ii. Whether, on the facts and in the circumstances of the case, the Tribunal was right in holding that the deemed dividend under Section 2(22)(e) arises in the hands of Smt.Radha Daga and not in the hands of the assessee M/s.Chemise Indus Private Limited ?"

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 In the light of the above, the appeal is dismissed as withdrawn and the substantial questions of law framed are left open.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.

Sd/-

Assistant Registrar

//True Copy//

Sub Assistant Registrar

Rs

To

1. The Income Tax Appellate Tribunal,
Madras 'A' Bench.
2. The Commissioner of Income Tax, Chennai.
3. The Section Officer,
VR Section, High Court,
Madras-104 (2 Copies)

+1cc to M/S.R.Hemalatha, Senior Standing Counsel, S.R.No.286

TCA.No.43 of 2016

SPD(CO)
CS/04/03/2019

सत्यमेव जयते

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