In the High Court of Judicature at Madras

Dated : 30.8.2019

Coram :

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

Tax Case Appeal No.750 of 2016

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

Vs.

M/s.Rane Holdings Limited,
Chennai-86. ..Respondent/Appellant

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 06.1.2016 made in ITA.No.115/Mds/2015 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench for the assessment year 2010-11 and against the order of the Commissioner of Income Tax (Appeals -V), dated 21/10/2014 and made in GIR.No./PAN.No.AABCR5136J, and against the order of the Assistant Commissioner of Income Tax Company Circle V(3), Chennai, made in PAN./G.I.No.AABCR5136J, for the Assessment year 2009-10.

For Appellant: Mr.T.Ravikumar, SSC and
Mrs.R.Hemalatha, SSC

For Respondent: Mr.R.Venkatanarayanan for
M/s.Subbaraya Aiyer Padmanabhan

Judgment was delivered by T.S.Sivagnanam,J

We have heard Mr.T.Ravikumar and Mrs.R.Hemalatha, learned Senior Standing Counsel appearing for the appellant - Revenue and Mr.R. Venkatanarayanan, 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 06.1.2016 made in ITA.No. 115/Mds/2015 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench for the assessment year 2010-11.

3. The appeal was admitted on 25.10.2016 on the following substantial questions of law :

> "i. Whether, on the facts and in the circumstances, the Tribunal was right in

remitting the issue of disallowance under Section 14A back to the Assessing Officer for fresh consideration ignoring the evidence already available on record ? and

ii. Is not the finding of the Tribunal bad by remitting the issue back to the Assessing Officer especially when the Assessing Officer and the Commissioner of Income Tax (Appeals) had given categorical finding on issue of disallowance under Section 14A of the Income Tax Act?"

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.

Sd/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

To

1.The Income Tax Appellate Tribunal, Chennai 'D' Bench.
2.The Commissioner of Income Tax (Appeals- V),
2nd Floor, Main Buildings, 121 Mahatma Gandhi Road,
Nungambakkam, Chennai -34.
3.The Assistant Commissioner of Income Tax,
Company Circle -V(3), Chennai.

+1 cc to M/s.T.Ravikumar,Advocate Sr.No. 75814
+1 cc to M/s.Subbaraya Aiyar, Advocate Sr.No.75929

AKM/19.11.19/2P-6C / TCA.No.750 of 2016