In the High Court of Judicature at Madras

Dated : 16.8.2019

Coram :

The Honourable Mr.Justice T.S.SIVAGNANAM

and

The Honourable Mrs.Justice V.BHAVANI SUBBAROYAN

Tax Case Appeal No.595 of 2019

The Commissioner of Income Tax,
Corporate Circle 3(1), Chennai ...Appellant

Vs

M/s.Trimex Sands Pvt. Ltd.,
Chennai-18. ...Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 22.1.2019 made in ITA.No.2529/Chny/2018 on the file of the Income Tax Appellate Tribunal, Chennai 'B' Bench for the assessment year 2014-15, against the order of the Commissioner of Income Tax (Appeals) -II, Chennai-34 dated 28.06.2018 and made in ITA.NO.266/16-17 and against the order of the Assistant Commissioner of Income Tax, Chennai-34 dated 26.12.2016 for the assessment year 2014-2015.

For Appellant:Mr.M.Swaminathan, SSC assisted by
Ms.V.Pushpa, JSC &
Ms.S.Premalatha, JSC

Judgment was delivered by T.S.Sivagnanam,J

We have elaborately heard Mr.M.Swaminathan, learned Senior Standing Counsel, assisted by both Ms.V.Pushpa, learned Junior Standing Counsel and Ms.S.Premalatha, learned Junior Standing Counsel appearing for the appellant - Revenue.

2. This appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 is directed against the order dated 22.1.2019 made in ITA.No. 2529/Chny/2018 on the file of the Income Tax Appellate Tribunal, Chennai 'B' Bench for the assessment year 2014-15.

3. The Revenue has filed this appeal by raising the following substantial question of law :

"Whether, on the facts and circumstances of the case and in law, the Tribunal was right in holding that the disallowance under Section 14A read with Rule 8D should be restricted to the extent of exempted income especially when neither Section 14A nor Rule 8D provides for any such restriction ?"

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 question of law raised is 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.

Sd/-
Assistant Registrar(CCC)

//True Copy//

Sub Assistant Registrar

TO:

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

2.The Commissioner of Income Tax,
(Appeals)-II,
Room NO.222, Aayakar Bhavan,
Main Building, III floor, 121 Mahatma Gandhi Road,
Nungambakkam Chennai-600 034.

3.The Assistant commissioner of Income Tax,
Corporate Circle 3(1),
Chennai-600 034.

+1cc to Mr.M.Swaminathan, Advocate sr.70024

TCA.No.595 of 2019

mp(co)
nr 26/09/2019