IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 26.08.2019

CORAM

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM
and
THE HONOURABLE MRS.JUSTICE V.BHAVANI SUBBAROYAN

Tax Case Appeal No.227 of 2014

The Commissioner of Income-tax,
Chennai. ... Appellant

-vs-

M/s.EIH Associated Hotels Ltd.,
1/24, GST Road,
Meenambakkam, Chennai-600 027. ... Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 17.07.2013, made in I.T.A.No.1624/Mds/2012 on the file of the Income Tax Appellate Tribunal 'C' Bench, Chennai for the assessment year 2008-09,

Appeal against the order dated 11/05/2012 made in ITA No.753/10-11/A-III on the file of the Mahatma Gandhi Road, Chennai-600 034 for the Assessment Year 2008-2009.

Appeal against the order dated 31/12/2010 made in PAN/GIR No.AAACE2125M on the file of the Deputy Commissioner of Income Tax Company Circle 11(1) Chennai for the Assessment year 2008-2009.

For Appellant : Mr.Karthik Ranganathan, SSC
: assisted by Mr.S.Rajesh,
Standing Counsel

For Respondent : Mr.Suhrith Parthasarathy &
Mr.K.Vimal Kumar

JUDGMENT

(Delivered by T.S.Sivagnanam, J.)

This appeal filed by the Revenue under Section 260A of the Income-tax Act, 1961 is directed against the order dated 17.07.2013, made in I.T.A.No.1624/Mds/2012 on the file of the Income Tax Appellate Tribunal 'C' Bench, Chennai for the assessment year 2008-09.

2.The above appeal was admitted on 15.07.2014, on the following substantial questions of law:-

> "(i) Whether on the facts and in the circumstances of the case, the Tribunal was right in directing the Assessing Officer to re-compute the average value of investment made under the provisions of Rule 8D after deleting investment made by the assessee in the subsidiary company?
>
> (ii) Whether on the facts and circumstances of the case, the Tribunal was right in upholding the order of CIT(A) in restricting the disallowance made under Section 14A read with Rule 8D amounting to Rs.34.20 lakhs while computing book profit under Section 115JB of the Income Tax Act?
>
> (iii) Whether on the facts and in the circumstances of the case, the Tribunal was right in holding that the payments made either towards reimbursement of expenses or rendering service outside India would not fall under the ambit of income accrued or arisen in India as envisaged under Section 9(1) of the Income Tax Act?
>
> (iv) Whether the finding of the Tribunal is proper in holding that provision of Section 40(a)(i) is not attracted and no tax is liable to be deducted?"

3.Heard Mr.Karthik Ranganathan, learned Senior Standing Counsel assisted by Mr.S.Rajesh, learned Standing Counsel for the appellant - and Mr.Suhrith Parthasarathy, learned counsel and Mr.K.Vimal Kumar, learned counsel for the respondent.

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 08.08.2019 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(CS VI)

//True Copy//

Sub Assistant Registrar

(abr)
To

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

2.The Commissioner of Income Tax (Appeals)-III,
121, Mahatma Gandhi Road,
Chennai-600 034.

3.The Deputy Commissioner of Income Tax,
Company Circle 11(1), Chennai.

T.C.A.No.227 of 2014

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srg 14/11/2019