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.281 of 2014

The Commissioner of Income tax,
Chennai. .. Appellant

-vs-

M/s.TVS Investments Limited,
Jayalakshmi Estate,
29, Haddows Road, Chennai-600 006. .. Respondent

Appeal under Section 260A of the Income-tax Act, 1961 against the order dated 29.01.2013, made in I.T.A.No.1609/Mds/2012 on the file of the Income Tax Appellate Tribunal 'B' Bench, Chennai for the assessment year 2008-09, against the order of the Commissioner of Income Tax (Appeals)-III, Chennai dated 27.06.2012 and made in ITA.No.768/2010-11/A.III and against the order of the Assistant Commissioner of Income Tax Company Circle III(2) dated 31.12.2010 for the assessment year 2008-09.

For Appellant : Mr.M.Swaminathan, SSC
assisted by Ms.V.Pushpa,
Standing Counsel

For Respondent : Mr.R.Venkatanarayana
For M/s.Subbaraya Aiyar,
Padmanabhan & Ramamani

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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 29.01.2013, made in I.T.A.No.1609/Mds/2012 on the file of the Income Tax Appellate Tribunal 'B' Bench, Chennai for the assessment year 2008-09.

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2.The above appeal was admitted on 11.08.2014, on the following substantial questions of law:-

> "(i) Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in restricting the disallowance made under Section 14A at 2% of the exempted income?
>
> (ii) Whether Section 14A read with Rule 8D of the Income Tax Rules apply to assessment year 2008-09?"

3.Heard Mr.M.Swaminathan, learned Senior Standing Counsel assisted by Ms.V.Pushpa, learned Standing Counsel for the appellant - and Mr.R.Venkatanarayan, learned counsel for M/s.Subbaraya Aiyar, Padmanabhan and Ramamani, 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

//True Copy//

Sub Assistant Registrar

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To

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

https://hcservices.ecourts.gov.in/hcservices/

2.The Commissioner of Income Tax (Appeals) – III,
121 Mahatma Gandhi Road, Chennai -34.

3.The Assistant Commissioner of Income Tax,
Company Circle III(2), Chennai -600 034.

+1 cc to M/s.M.Subbaraya Aiyar, Advocate Sr.No. 73372
+1 cc to M/s.M.Swaminathan, Advocate Sr.No.73017

AKM/12.11.19/3P-6C /

T.C.A.No.281 of 2014

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