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.510 of 2014

Commissioner of Income Tax,
Chennai. .. Appellant

-vs-

M/s.Anusha Investments Ltd.,
(Rep. By Sundaran Clayton Ltd.),
No.29, Haddows Road,
Chennai-600 006. .. Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 14.11.2013, made in I.T.A.No.1219/Mds/2013 on the file of the Income Tax Appellate Tribunal 'D' Bench, Chennai for the assessment year 2008-09 against the order of the Commissioner of Income Tax (Appeals)IX, Chennai dated 21.02.2013 passed in Appeal No. 290/2010-2011 and against the order under Section 143(3) of the Income Tax Act 1961, dated 03.12.2010 passed by the Assistant Commissioner of Income Tax, Company Circle 1(4) Chennai 34.

For Appellant : Mr.T.Ravikumar,
Senior Standing Counsel

For Respondent : No Appearance

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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 14.11.2013, made in I.T.A.No.1219/Mds/2013 on the file of the Income Tax Appellate Tribunal 'D' Bench, Chennai for the assessment year 2008-09.

2.The appeal was admitted on 13.08.2014, on the following substantial question of law:-

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"Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in holding that disallowance should be restricted to 2% of the exempted income arbitrarily instead of disallowance in the entirety under Section 14 read with Rule 8D of the Income Tax Rules?"

3.Heard Mr.T.Ravikumar, learned Senior Standing Counsel for the appellant.

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 question of law framed 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. No costs.

s/d-
Assistant Registrar(CS VIII)

True Copy

Sub-Assistant Registrar

abr
To

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

+1 CC to Mr.T.Ravikumar, Advocate sr 72372.
+1 CC to M/s. Subbaroya Aiyar, Advocate sr 73374.

सत्यमेव जयते
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T.C.A.No.510 of 2014

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