IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 29.08.2019

CORAM

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

Tax Case Appeal No.68 of 2017

Commissioner of Income Tax,
Chennai. .. Appellant

-vs-

M/s.Sundaram Clayton Ltd.,
Jayalakshmi Estates,
29, Haddows Road,
Nungambakkam, Chennai-600 006.
PAN: AAACS4920J .. Respondent

Appeal under Section 260A of the Income-tax Act, 1961, against the order dated 19.08.2015, made in I.T.A.No.2612/Mds/2014 on the file of the Income Tax Appellate Tribunal 'C' Bench, Chennai for the assessment year 2010-11,

against the order of the Commissioner of Income Tax Appeal-VI, Chennai-34 dated 30/07/2014 and made in ITA No.1417/13-14/A-VI for the Assessment Year 2010-11,

against the order of the Joint Commissioner of Income Tax, Company Range VI, Chennai-34 dated 28/03/2013 and made in PAN AAACS4920J for the Assessment year 2010-11.

For Appellant :Mr.T.R.Senthil Kumar,
Senior Standing Counsel

:assisted by Ms.K.G.Usharani,
Standing Counsel

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

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 19.08.2015, made in I.T.A.No.2612/Mds/2014 on the file of the Income Tax Appellate Tribunal 'C' Bench, Chennai for the assessment year 2010-11.

2.The appeal has been filed raising the following substantial question of law:-

> "Whether on the facts and in the circumstances of the case and on the grounds raised herein, the Tribunal was right in holding that the interest expenditure of Rs.2.67 cr cannot be excluded from the exempt income as per Section 14A r/w Rr 8D?"

3.Heard Mr.T.R.Senthil Kumar, learned Senior Standing Counsel assisted by Ms.K.G.Usharani, learned Standing Counsel for the appellant - and Mr.R.Venkatanarayana, learned counsel, for M/s.Subbaraya Aiyar, Padmanabhan & 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 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.

Sd/-
Assistant Registrar(CS V)

//True Copy//

Sub Assistant Registrar

abr

To

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

2.The Commissioner of Income Tax, (Appeal)-VI,
Chennai-34.

3.The Joint Commissioner of Income Tax,
Company Range-Vi,
Chennai-34.

4.The Commissioner of Income Tax,
Chennai.

+1cc to Mr.Subbaraya Aiyar Padmanaban, Advocate Sr.75146
+1cc to Mr.T.R.Senthilkumar, Advocate Sr.75134

T.C.A.No.68 of 2017

sv[co]
srg 11/11/2019