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 Nos.746 and 747 of 2017

The Commissioner of Income tax,
Chennai. .. Appellant in both Appeals

-vs-

M/s.Carburettors Ltd.,
Raheja Towers, 7th Floor, Sigma Wing,
No.177, Anna Salai, Chennai-600 002.
PAN: AAACC 1299E .. Respondent in both Appeals

Appeals under Section 260A of the Income-tax Act, 1961, against the common order dated 28.09.2016, made in I.T.A.Nos.640 & 641/Mds/2016 on the file of the Income Tax Appellate Tribunal 'A' Bench, Chennai for the assessment years 2010-11 and 2011-12 respectively.

Appeal filed against the order dated 08/12/2015 made in ITA Nos.140/13-14/A-1 and ITA Nos.523/13-14/A-1(PAN NO.AAACC1299E) respectively on the file of commissioner of Income Tax (Appeals)-1, 121, Mahatma Gandhi Road, Chennai- 600 034, and against the order dated 12/03/2013 and 27/08/2013 made in PAN/GIR No.AAACC1299E on the file of the Assistant Commissioner of Income Tax, Company Circle I(3), Chennai for the Assessnent Year 2010-11 and 2011-2012 respectively.

For Appellant : Mr.T.Ravikumar
(In both Appeals) Senior Standing Counsel &

: Ms.R.Hemalatha
Senior Standing Counsel

For Respondent : Mr.A.S.Sriraman
(In both Appeals) For Mr.S.Sridhar

COMMON JUDGMENT

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

These appeals filed by the Revenue under Section 260A of the Income-tax Act, 1961 are directed against the common order dated 28.09.2016, made in I.T.A.Nos.640 & 641/Mds/2016 on the file of the Income Tax Appellate Tribunal 'A' Bench, Chennai for the assessment years 2010-11 and 2011-12 respectively.

2.The appeals have been admitted on 02.01.2018, on the following substantial question of law:-

> "Whether interest incurred in respect of investments made in a subsidiary company as also the value of such investment has to be excluded while computing disallowance under Section 14A of the Income Tax Act, 1961 read with Rule 8D(2)(iii) of the Income Tax Rules, 1962?"

3.Heard Mr.T.Ravikumar and Ms.R.Hemalatha, learned Senior Standing Counsel for the appellant – and Mr.A.S.Sriraman, learned counsel for Mr.S.Sridhar, learned Counsel for the respondent.

4.The learned Senior Standing Counsel for the appellant submits that the above appeals are 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 these cases is less than the threshold limit.

5.In the light of the said submissions, the above tax case appeals are 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 appeals to be heard and decided on merits. No costs.

Sd/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

abr

To

1.The Commissioner of Income Tax(Appeals)-1,
121, Mahatma Gandhi Road, Chennai-34.

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

3.The Income Tax Appellate Tribunal 'A' Bench, Chennai.

+1cc to M/s.T.Ravikumar, Advocate, sr no.74358
+1cc to M/s.S.Sridhar, Advocate, sr no.75284

T.C.A.Nos.746 and 747 of 2017

BP(CO)
RMP(09/12/2020)