IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 28.08.2019

CORAM :

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

Tax Case Appeal No.873 of 2018

The Commissioner of Income Tax,
Chennai. ...Appellant/ Appellant

Vs

M/s.T.T.Krishnamachari & Co.,
No.6, Cathedral road, Gopalapuram,
Chennai - 600 086.
PAN: AAAFT0395D ...Respondent/Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 20.06.2018 made in ITA.No.2456/Chny/2017 on the file of the Income Tax Appellate Tribunal, Chennai 'B' Bench for the assessment year 2014-15 against the Order dated 10.07.2017 made in ITA No.150/2016-17/A-2014-15/CIT(A)-4 on the file of the Commissioner of Income Tax (Appeals)-4, and against the Order dated 20.12.2016 on the file of the Assistant Commissioner of Income Tax, Non Corporate Circle -3, Chennai -34, in PAN No.AAAFT0395D, for the Assessment Year 2014-15

For Appellant : Mr.T.Ravikumar, SSC
and Ms.R.Hemalatha, SSC

For Respondent: Mr.R.Venkatanarayanan
for M/s.Subbaraya Aiyar Padmanabhan

JUDGMENT
(Judgment was delivered by T.S.Sivagnanam,J.)

We have heard Mr.T.Ravikumar, learned Senior Standing Counsel, and Ms.R.Hemalatha, learned Senior Standing Counsel appearing for the appellant/revenue and Mr.R.Venkatanarayanan, learned counsel for M/s.Subbaraya Aiyar Padmanabhan, learned counsel appearing for the respondent/assessee.

2.This appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 is directed against the order dated 20.06.2018 made in ITA.No.2456/Chny/2017 on the file of the

Income Tax Appellate Tribunal, Chennai 'B' Bench for the assessment year 2014-15.

3.The appeal was admitted on 03.12.2018 on the following substantial questions of law :

> "1.Whether the Tribunal was right in upholding the order of the Commissioner of Income Tax (Appeals) while making disallowance under Section 14A read with Rule 8D in respect of investment made in the subsidiary company out of non interest bearing funds, which is not to be taken into account especially when the facts remain that no such exceptions have been provided under the Statute for excluding the same? and
>
> 2.Whether the Tribunal ought to have applied the judgment of the Apex Court in the case of Maxopp Limited [reported in 402 ITR Page 640], which supports the stand of the Department?"

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 08.8.2019 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.



CSE

Sd/-
Assistant Registrar(CS VI)



//True Copy//

Sub Assistant Registrar

To

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

2. The Commissioner of Income Tax
(Appeals)-4, Chennai - 34.

3. The Assistant Commissioner of
Income Tax, Non Corporate Circle -3,
Chennai - 34.

+1cc to Mr.T.Ravi Kumar, Advocate, SR.No.73682
+1cc to Mr.Subbarya Aiyar Padmanabhan, Advocate, SR.No.74739



Kak(04/11/2019)