IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 07.08.2020

CORAM

THE HON'BLE DR.JUSTICE VINEET KOTHARI
AND
THE HON'BLE MR.JUSTICE KRISHNAN RAMASAMY

T.C.A.No.389 of 2009

Commissioner of Income Tax,
Chennai ... Appellant

vs.

First India Asset Management Pvt Ltd.,
(Now known as Sahara Asset
Managemetn Company Pvt Ltd)
12th Floor, Express Tower,
Nariman Point, Mumbai 400021 ... Respondent

Prayer ::- Appeal filed against the order of the Income Tax Appellate Tribunal, Madras A Bench, dated 29 August 2008 in ITA No.987/Mds/2007,

against the order of the Commissioner of Income-Tax (Appeals)-III, Chennai dated 07/02/2007 and made in ITA No.198/2006-07/A-III for the Assessment Year 2003-04,

against the order of the Deputy Commissioner of Income Tax, Company Circle-II(1) Chennai-34 dated 20.03.2006 and made in PAN/GIR No.AAACF1696A for the Assessment Year 2003-04.

For appellant : Mr.Karthik Ranganathan
Senior Standing Counsel

ORDER

(Made by DR.VINEET KOTHARI, J.)

The Court was held by Video Conference, as per the Resolution of the Full Court dated 3 July 2020, by Judges at their respective residence and the counsel, staff of the Court appearing from their respective residences.

2. This Tax Case Appeal has been filed by the Revenue, calling in question the correctness of the order passed by the

Income Tax Appellate Tribunal, Madras "A" Bench, in ITA No.987/Mds/2007, by raising the following substantial question of law:

> "Whether on the facts and circumstances of the case, the Tribunal was right in deleting the addition of Rs.26,38,776/- on account of mutual fund launch expenses for growth fund scheme and Rs.1,61,61,088/- on account of mutual fund promotion expenses when the expenses under reference have been incurred by the assessee purely for the purpose of business activities of another person ?"

3. When the matter is taken up for hearing, learned Standing Counsel brought to our notice the Circular issued by the Central Board of Direct Taxes vide Circular No.17/2019 dated 8 August 2019, wherein, it is stipulated that appeals shall not be filed/pursued by the Department before the High Court in cases where the tax effect does not exceed Rs.1,00,00,000/- (Rupees One Crore).

4. In the instant case, the tax effect is said to be less than the monetary limit imposed and therefore, the Appeal filed by the Revenue is dismissed as withdrawn, keeping open the substantial question of law for determination in appropriate cases. No costs.

5. Registry is directed to send a copy of the judgment to the Respondent / Assessee in the address given in the Appeal.

Sd/-
Assistant Registrar(CS III)

//True Copy//

Sub Assistant Registrar

kpl/tar
To

1.First India Asset Management Pvt Ltd.,
(Now known as Sahara Asset
Management Company Pvt Ltd)
12th Floor, Express Tower,
Nariman Point, Mumbai 400021.

2.The Income Tax Appellate Tribunal,
Madras 'A' Bench, Chennai.

3.The Commissioner of Income Tax (Appeals)-III,
Chennai.

4.The Deputy Commissioner of Income Tax,
Company Circle-II(i),
Chennai-34.

sv[co]
srg 25/09/2020