IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 30.01.2020

CORAM

THE HON'BLE DR.JUSTICE VINEET KOTHARI
AND
THE HON'BLE MR.JUSTICE R.SURESH KUMAR

Tax Case Appeal No.455 of 2013

The Commissioner of Income Tax
Chennai. ... Appellant

Vs.

M/s.Khivraj Motors Pvt Ltd
623, Anna Salai, Chennai 600 006. ... Respondent

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, Madras 'B' Bench, Chennai, dated 18.10.2012 made in ITA No.823/Mds/2012 against the order of the Commissioner of Income Tax Appeals III, Chennai made in I.T.A. No. 525/2008-2009/A.III dated 27.01.2012 against the order of the Income Tax Officer(OSD) Company Circle II (4) i/c Chennai made in GIR. No/PAN AAACK2572Q dated 24.12.2008 for the Assessment year 2006-2007.

For Appellant : Mr.Karthik Ranganathan
Senior Standing Counsel

For Respondent : Mr.N.V.Balaji

J U D G M E N T
(Delivered by DR.VINEET KOTHARI,J)

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, 'B' Bench, Madras, by raising the following substantial question of law:

"Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in restricting the disallowance to Rs.2.00 lakhs as against Rs.32.10 lakhs made under Section 14A of the Income Tax Act, 1961 read with Rule 8D of the Income Tax Rules?”

2. When the matter is taken up for hearing, the learned Standing Counsel brought to our notice the Circular instruction issued by the Central Board of Direct Taxes vide Circular No.17/2019 dated 8th 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).

3. 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 not pressed, keeping open the substantial questions of law for determination in an appropriate case.

s/d-
Assistant Registrar(CS-III)

True Copy

Sub-Assistant Registrar

KST

To

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

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

3.The Income Tax officer(OSD)
Company Circle II(4)i/c Chennai

TC(A) No.455 of 2013

NMI(CO)
SP(26/02/2020)