In the High Court of Judicature at Madras

Dated : 27.08.2020

Coram :

The Honourable Mr.Justice T.S.SIVAGNANAM

and

The Honourable Mrs.Justice PUSHPA SATHYANARAYAN

Tax Case Appeal No.350 of 2019

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

Vs

Shri Kesari Sanjay Kundalia
Old No.114, New No.36, G.N.Chetty Road,
T.Nagar, Chennai,
PAN APDPS7301G ...Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 01.01.2019 made in ITA.No.2115/chny/2019 on the file of the Income Tax Appellate Tribunal, Madras 'B' Bench.

For Appellant: Mr.R.Hemalatha, Senior Standing Counsel

Respondent: Mr.R.Sivaraman

Judgment was delivered by T.S.Sivagnanam,J

We have heard Ms.R.Hemalatha, learned Senior Standing Counsel appearing for the appellant – Revenue.

2. This appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 is directed against the order dated 01.01.2019 made in ITA.No.2115/chny/2019 on the file of the Income Tax Appellate Tribunal, Madras 'B' Bench, for the assessment year 2014-15.

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

> *"1.Whether the Tribunal ought to have applied the decision of the Apex Court in the case of Maxopp Investment Ltd reported in 402 ITR page 640 wherein the purpose behind the Section 14A was explained not to permit the deduction of expenditure in relation to the income, which does not form part of the total income is to ensure that the assessee does not get double benefit?*

> *2. Whether the Tribunal was right in deleting the disallowance made under Section 14A of the Income Tax Act read with Rule 8D of the Income Tax Rules?*

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 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.

(T.S.S., J.) (P.S.N., J.)
27.08.2020

Internet: Yes /No
Index : Yes/No

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

T.S.SIVAGNANAM,J
AND
PUSHPA SATHYANARAYAN,J

sk

TCA.No.350 of 2019

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