In the High Court of Judicature at Madras

Dated : 08.7.2020

Coram :

The Honourable Mr.Justice T.S.SIVAGNANAM

and

The Honourable Mrs.Justice V.BHAVANI SUBBAROYAN

Tax Case Appeal No.241 of 2018

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

Vs

Shriram Ownership Trust, Chennai-17. ...Respondent/Appellant

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 05.7.2017 made in ITA.No.406/Mds/2017 on the file of the Income Tax Appellate Tribunal, Chennai 'C' Bench for the assessment year 2013-14.

As per order of the Income Tax Appellate Tribunal 'C' Bench, Chennai, Assessment year:2013-2014 & 2014-2015, PAN AAGTS2243H, Date of pronouncement dated 5/7/2017.

As per order of the Commissioner of Income Tax (Appeals)-2, Nungambakkam, Chennai 600 034, PAN No AAGTS2243H, Assessment year, 2013-14 & 2014-2015 dated 23/11/2016 & 28/11/2016.

As per order of the Deputy Commissioner of Income Tax, Non-Corporate circle-2,Chennai, PAN/G.I.R.No. AAGTS2243H Assessment year, 2014-15,dated order 27/9/2016.

As per order of the Deputy Commissioner of Income Tax non Corporate circle-2, Chennai, PAN No GIR No AAGTS2243H, Assessment year, 2013-14, date of order 18/12/2015.

For Appellant: Mrs.R.Hemalatha
For Respondent: Mr.R.Sivaraman

Judgment was delivered by T.S.Sivagnanam,J

We have heard Mrs.R.Hemalatha, learned Senior Standing Counsel appearing for the appellant – Revenue and Mr.R.Sivaraman, learned counsel for the respondent.

2. This appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 is directed against the order dated 05.7.2017 made in ITA.No. 406/Mds/2017 on the file of the Income

Tax Appellate Tribunal, Chennai 'C' Bench for the assessment year 2013-14.

3. The Revenue filed this appeal by raising the following substantial question of law :

> "Whether the Tribunal was correct in holding that the investment, which yielded no exempt income was to be excluded while computing deduction under Section 14A when the provisions of the Income Tax Act and the Rules made thereunder do not provide for any such exclusion and further such investment shall always remain in tax free territory ?"

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 raised 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.

Sd/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

RS

To

1.The Income Tax Appellate Tribunal, Chennai 'C' Bench.
2.The Commissioner of Income Tax (Appeals)-2,
Chennai 600 034.
3.The Deputy Commissioner of Income Tax
non-Corporate Circle-2, Chennai.

TCA.No.241 of 2018

PP(CO)
GS(08/07/2020)