IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 20.01.2020

CORAM :

THE HONOURABLE MR.JUSTICE N.KIRUBAKARAN
and
THE HONOURABLE MR.JUSTICE P.VELMURUGAN

T.C.A.No.428 of 2018

Principal Commissioner of Income Tax 6,
No.121, Nungambakkam High Road,
Chennai 600 034. ... Appellant

Vs

M/s.Shriram City Union Finance Co.Ltd.,
No.4, Mookambika Complex,
Lady Desika Road,
Mylapore, Chennai - 600 004.
PAN: AAACS 7703H ...Respondent

PRAYER: Tax Case Appeal filed under Section 260A of Income Tax Act, 1961 against the order dated 07.06.2017 in I.T.A.No.506/Mds/2016 on the file of the Income Tax Appellate Tribunal Chennai 'B' Bench for the assessment year 2012-13 preferred against the order dated 24/09/2015 of Commissioner of Income Tax(Appeals)-15, Chennai in ITA.NO.262/CIT(A)-15/14-15 for the Assessment year 2012-2013 against the order dated 27.02.2015 passed by the Deputy Commissioner of Income Tax, Corporate Circle 6(1), Chennai-34.

For Appellant : Mr.J.Narayanasamy,
Senior Standing Counsel.

सत्यमेव जयते

J U D G M E N T

(Judgment of the Court was delivered by N.KIRUBAKARAN, J)

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This tax case appeal has been filed against the order of the Income Tax Appellate Tribunal dated 07.06.2017 in I.T.A.No.506/Mds/2016 in partly allowing the appeal filed by the assessee against the order of the Commissioner of Income Tax (Appeals) by which the appeal filed by the assessee was partly allowed.

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2.Heard Mr.J.Narayanasamy, learned Senior Standing Counsel for the appellant.

3.This tax case appeal is admitted on the following substantial question of law:

> "Whether the Appellate Tribunal was correct holding that the Assessing Officer has not recorded his satisfaction before making disallowance Section 14A read with Rule 8D of the Income Tax Rules, whereas the Assessing Officer has dealt the same at page 24 in the assessment order?"

4. Mr.J.Narayanasamy, learned Senior Standing Counsel appearing on behalf of the appellant would submit that the tax effect in this case is less than Rs.1 crore and is covered by Circular No.17/2019 dated 08.08.2019 issued by the Director, Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India, Delhi. As per the said circular, the monetary limit to file an appeal before the High Court is fixed at Rs.1 crore. In this case, tax effect is less than Rs.1 crore and therefore, the appeal has to be dismissed.

5.This Court perused the circular dated 08.08.2019 and Paragraph No.2 of the Circular, which prescribes monetary limit for filing appeal. Paragraph No.2 is usefully extracted as follows:

> "2.As a step towards further management of litigation, it has been decided by the Board that monetary limits for filing of appeals in income-tax cases be enhanced further through amendment in Para 3 of the Circular mentioned above and accordingly, the table for monetary limits specified in Para 3 of the Circular shall read as follows:

S.No.	Appeals / SLPs in Income-tax matters	Monetary Limit (Rs.)
1.	Before Appeallate Tribunal	50,00,000
2.	Before High Court	1,00,00,000
3.	Before Supreme Court	2,00,00,000"

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6.In view of the submissions made by the learned counsel appearing on behalf of the appellant and also in view of the Circular No.17/2019 dated 08.08.2019 issued by the Director, Central Board of Direct Taxes, Delhi, this Tax Case Appeal is dismissed on account of tax effect. However, the substantial

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question of law framed is left open. In the event the tax effect is above the 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

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To

1.Principal Commissioner of Income Tax,6
No.121, Nungambakkam High Road,
Chennai 600 034.

2.The Deputy Commissioner of Income Tax,
Corporate Circle-6(1),
Aayakar Bhavan, New Block, 121,
MG Road, 7th floor, Chennai-600 034

3.The Commissioner of Income Tax(Appeals)-15,
121, Mahatma Gandhi Road,
Nungambakkam, Chennai-600 034.

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nr 21/02/2020

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