IN THE HIGH COURT OF JUDICATURE AT MADRAS
DATED : 26.02.2020
CORAM :
THE HONOURABLE MR.JUSTICE N.KIRUBAKARAN
and
THE HONOURABLE MR.JUSTICE P.VELMURUGAN

T.C.A.Nos.635 & 636 of 2018
and
C.M.P.No.12802 of 2018

The Commissioner of Income Tax,
Chennai. ... Appellant in both the Appeals

Vs

M/s.Rane Holdings Ltd.,
"Maithri"
No.132, Cathedral Road,
Chennai 600 086.

PAN: AABCR5136J ... Respondent in both the Appeals

PRAYER : Appeals under Section 260A of Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, Madras "D" Bench, dated 27.10.2017 in ITA.No.1089 & 1090/Mds/2017. Against the order of the Commissioner of Income appeals(3) CHennai dated 31/07/2017, against the order dated 31.12.2010 and 27.02.2015 for the Assessment year 2008-09 and Assessment year 2012-13 passed by DCIT Company Circle(3), Chennai and Corporate Circle 5(1), Chennai-34 and the order of Deputy Commissioner of Income Tax, Corporate Circle-5(1) Chennai-34 in PAN-AABCR5136).

For Appellant :Mr.T.Raavi Kumar
Senior standing counsel

For Respondent :M/s.Subbaraya Aiyar Padmanabhan

C O M M O N J U D G M E N T

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

The Appeals have been preferred by the Revenue against the order of the Income Tax Appellate Tribunal, Madras "D" Bench, dated 27.10.2017 in ITA.No.1089 & 1090/Mds/2017 for the Assessment year 2008-09 & 2012-13 respectively.

2.The Revenue has filed Appeal before the ITAT against the common order passed by the CIT-3, on 31.01.2017 for the assessment years 2008-09 and 2012-13. The ITAT has rejected the claim of the revenue and dismissed the same, against which only the present Appeals have been filed.

3.These appeals are admitted on the following substantial questions of law :

> "(i)Whether the Tribunal was right in deleting the disallowance made under Section 14A read with Rule 8D with regard to the exempted income especially when there is no provision under the Income Tax Act to exclude investments made in the subsidiary company while computing the disallowances?
>
> (ii)Whether the Tribunal was right in not considering the fact that as per the provisions of Section 14A, the expenditure incurred in connection with exempted income is not allowable as a deduction and the same shall be disallowed even when the assessee does not claim such an expenditure?"

4.Mr.T.Ravikumar, 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 these cases, tax effect is less than Rs.1 crore and therefore, the cases have to be dismissed.

5.This Court perused the circular dated 08.08.2019 and Paragraph No.2 of the said Circular, which prescribes monetary limit for filing appeal 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 Appellate Tribunal	50,00,000
2.	Before High Court	1,00,00,000
3.	Before Supreme Court	2,00,00,000

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, the Tax Case Appeals are dismissed on account of tax effect. However, the substantial questions 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 appeals to be heard and decided on merits. No costs. Consequently, connected Miscellaneous Petition is also closed.

Sd/-
Asst.Registrar (CS V)

/true copy/
Sub Asst. Registrar

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To
1.The The Commissioner of Income Tax,
Chennai.

2.Income Tax Appellate Tribunal 'D' Bench,
Chennai.

3.The Deputy Commissioner of Income Tax,
Corporate Circle-5(1)
Chennai-34

4. The Commissioner of Income tax(Appeals)-3
Chennai-34

+1 cc to M/s.Subbaraya Aiar Advocate sr16902
+1 cc to Mr.T.Ravikumar Advocate sr16574

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