In the High Court of Judicature at Madras

Dated : 18.06.2020

Coram :

The Honourable Mr.Justice T.S.SIVAGNANAM

and

The Honourable Mrs.Justice PUSHPA SATHYANARAYANA

Tax Case Appeal No.479 of 2014

Commissioner of Income Tax,
Central Circle,
Chennai. ...Appellant

-vs-

M/s.Archean Granites Private Limited,
TVH Phase II, 5th Floor,
Bellicia Towers, MRC Nagar,
Chennai-600 028.
PAN: AAACA 7344J ...Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 19.06.2013 made in I.T.A.No.2287/Mds/2012 on the file of the Income Tax Appellate Tribunal 'A' Bench, Chennai for the assessment year 2006-07.

For Appellant : Mr.T.R.Senthil Kumar,
Senior Standing Counsel &
Ms.K.G.Usha Rani,
Standing Counsel

For Respondent: Mr.G.Baskar

Judgment was delivered by T.S.Sivagnanam,J

We have heard Mr.T.R.Senthil Kumar, learned Senior Standing Counsel and Ms.K.G.Usha Rani, learned Standing Counsel for the appellant-Revenue and Mr.G.Baskar, learned counsel appearing for the respondent-assessee.

2. This appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 is directed against the order dated 19.06.2013 made in I.T.A.No.2287/Mds/2012 on the file of the Income Tax Appellate Tribunal 'A' Bench, Chennai for the assessment year 2006-07.

3. The appeal was admitted on 01.09.2014 on the following substantial questions of law:-

> "1.Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in deleting the disallowance of Rs.37,05,741/- made under Section 14A read with Rule 8D of the Income Tax Rules, 1962?
>
> 2.Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal failed to note that section 14A was inserted in the Finance Act, 2001 with retrospective effect from 01.04.1962, Rule 8D was introduced with effect from 24.3.2008 and Rules being procedural in nature, the Assessing Officer's disallowance under Section 14A read with Rule 8D in the assessment made on 29.12.2009 is in accordance with law?"

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 questions of law framed are 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(CS-III)

//True Copy//

Sub Assistant Registrar

To

The Income Tax Appellate Tribunal 'A' Bench,
Chennai.

TCA.No.479 of 2014

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srg 12/10/2020