IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 03.09.2020

CORAM

THE HON'BLE DR.JUSTICE VINEET KOTHARI
AND
THE HON'BLE MR.JUSTICE KRISHNAN RAMASAMY

T.C.A.No.804 of 2017

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

vs.

M/s. Star Investment Pvt Ltd,
New NO.17 / I, Old NO.9., Bazullah Road,
T. Nagar, Chennai - 600 017. ...Respondent

Prayer ::- Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, Madras 'C' Bench dated 03.04.2017 in M.P.No.211/Mds/2016 against the Order of the Commissioner of Income Tax (Appeals)-VI, Chennai -34, dated 14.10.2014 made in GIR NO/PAN No.AAACS4693 for the assessment year 2011-12 and against the Order of the Commissioner of Income Tax (Appeals), Chennai -34, made in ITA No. dated against the Order of the Assistant Commissioner of Income Tax, Company circel-VI(4), Chennai- dated.14.02.2014

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

For Respondent :: Ms.Sriniranjani Srinivasan

JUDGMENT
(Made by DR.VINEET KOTHARI, J.)

The Court was held by Video Conference, as per the Resolution of the Full Court dated 3 July 2020, by Judges at their respective residence and the counsel, staff of the Court appearing from their respective residences.

2. This Tax Case Appeal has been filed by the Revenue, calling in question the correctness of the order passed by the Income Tax Appellate Tribunal, Madras 'C' Bench dated 03.04.2017 in M.P.No.211/Mds/2016 by raising the following substantial questions of law:

> "Whether the Appellate Trib1mal was correct in holding that disallowance u/s 14A should not exceed the dividend earned during the year when the provisions of the said section as well as the Rule 3D does not provide for any such restriction ?"

3. When the matter is taken up for hearing, learned Standing Counsel brought to our notice the Circular issued by the Central Board of Direct Taxes vide Circular No.17/2019 dated 8 August 2019, wherein, it is stipulated that appeals shall not be filed/pursued by the Department before the High Court in cases where the tax effect does not exceed Rs.1,00,00,000/- (Rupees One Crore).

4. In the instant case, the tax effect is said to be less than the monetary limit imposed and therefore, the Appeal filed by the Revenue is dismissed as withdrawn, keeping open the substantial questions of law for determination in appropriate cases. No costs.

Sd/-

Assistant Registrar

//True Copy//

Sub Assistant Registrar

To
1. The Income Tax Appellate Tribunal
'C' Bench Chennai

2. The Commissioner of Income Tax(Appeals)VI
121, Mahatma Gandhi Road, Chennai-034

3. The Assistant Commissioner of Income Tax
Company circle-VI(4)
Room no.705, 7th floor,
New Block, Aayakar Bhawan,
121 Mahatma Gandhi Road, Nungambakkam,
Chennai-034.

+1cc to M/s.G.Baskar, Advocate in SR.NO..28703

T.C.A.No.804 of 2017

mp(co)
rv(29/9/2020)