IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 01.04.2021

CORAM

THE HON'BLE MR. JUSTICE M.DURAISWAMY
AND
THE HON'BLE MRS.JUSTICE T.V.THAMILSELVI

T.C.A.Nos.494 and 495 of 2013

The Commissioner of Income Tax,
Chennai. ... Appellant in all appeals

Vs.

M/s.Adyar Gate Hotels Ltd.,
132, TTK Road,
Chennai - 600 018. ... Respondent in all appeals

Tax Case Appeals in T.C.A.Nos.494 and 495 of 2013 preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras, “B” Bench, dated 14.12.2012 in I.T.A.Nos.1502/Mds/2012 and 1620/Mds/2012, respectively for the Assessment Year 2009-10.

As against the order dated 17/05/2012 by the office of the Commissioner of Income Tax (Appeals)-III,Chennai-34, in ITA No.306/2011-12/A III for the Assessment Year 2009-10 and as against the order dated 21/12/2011 by the officer of the joint Commissioner of Income Tax (OSD)Company Circle -I(1), Chennai-34 for the Assessment Year 2009-10.

For Appellant : Mr.T.Ravikumar
Senior Standing Counsel
in all appeals

For Respondent : Mr.R.Venkata Narayanan
for M/s.Subbaraya Aiyar
in all appeals

C O M M O N J U D G M E N T
(Judgment was delivered by M.DURAISWAMY, J.)

We have heard Mr.T.Ravikumar, learned Senior Standing Counsel for the appellant/Revenue and Mr.R.Venkata Narayanan for M/s.Subbaraya Aiyar, learned counsel for the respondent/assessee.

2.The above appeals, filed by the Revenue under Section 260A of the Income Tax Act, 1961 (for short, the Act), are directed against the order dated 14.12.2012 made in I.T.A.Nos.1502/Mds/2012 and 1620/Mds/2012, on the file of the Income Tax Appellate Tribunal, Madras, "B" Bench (for brevity, the Tribunal) for the Assessment Year 2009-10.

3.The above appeals were admitted on 03.09.2013 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 holding that the treatment of rental income from business for hire charges for plant and machinery are to be treated as income from other sources?
>
> 2.Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in holding that disallowance made u/s.14A in respect of interest as per Rule 8D (2)(ii) is not to be taken in account while computing the disallowance?
>
> 3.Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in upholding the order of CIT(A) holding that disallowance u/s.14A r/w.Rule 8D is proper?"

4.The learned Senior Standing Counsel for the appellant submits that the above appeals are not pursued by the Revenue on account of the Low Tax Effect in terms of Circular No.17/2019 dated 08.08.2019 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 these cases is less than the threshold limit.

5.In the light of the said submissions, the above Tax Case Appeals are dismissed as withdrawn on account of the Low Tax Effect. The substantial questions of law framed are left open. In the event the tax effect in these cases 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 above appeals to be heard and decided on merits. No costs.

Sd/-
Assistant Registrar(CCC)

//True Copy//

Sub Assistant Registrar

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To

1.The Income Tax Appellate Tribunal,
Madras, "B" Bench.

2.The Commissioner of Income Tax(appeals -III)
Chennai-34.

3. The Joint Commissioner of Income Tax(OSD),
Company Circle -I(1), Chennai -34.

+2cc to M/s.T.Ravikumar, Advocate, Sr.No. 21747
+1 cc to M/s.Subbaraya Aiyar, Advocate Sr.No. 21754

SSN(CO)
RMP(06/05/2021)