IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 25.02.2021

CORAM

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

T.C.A.No.580 of 2016

Principal Commissioner of Income Tax 2,
No.121, Mahatma Gandhi Road,
Chennai - 600 034. ... Appellant/Respondent

Vs.

M/s.iNautix Technologies India Pvt. Ltd.,
10th Floor, No.4, Tidal Park,
Canal Bank Road,
Taramani, Chennai - 600 113. ... Respondent/Appellant

Tax Case Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Chennai, "D" Bench, dated 19.02.2016 in M.P.No.152/Mds/2015 in I.T.A.No.2277/Mds/2014, Assessment Year 2008-09, as against the order passed by the Commissioner of Income Tax (Appeals)II, Chennai in ITA No.1501/2013-14 dated 19.05.2014 for the Assessment Year 2008-09 as against the order passed by the Assistant Commissioner of Income Tax Co., Circle II (3) Chennai-34 in PAN/GIR No.AAAC161771C, dated 23.12.2011 for the Assessment Year 2008-09.

For Appellant : Mr.Karthik Ranganathan
Standing Counsel

For Respondent : Mr.N.V.Balaji

JUDGMENT

(Judgment was delivered by M.DURAISWAMY, J.)

We have heard Mr.Karthik Ranganathan, learned Standing Counsel for the appellant/Revenue and Mr.N.V.Balaji, learned counsel for the respondent/assessee.

2.The appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 (for short, the Act) is directed against the order dated 19.02.2016 made in M.P.No.152/Mds/2015 in I.T.A.No.2277/Mds/2014 on the file of the Income Tax Appellate Tribunal, Chennai, "D" Bench (for brevity, the Tribunal) for the Assessment Year 2008-09.

3.The appeal was admitted on 22.08.2016 on the following substantial questions of law:

> "1.Whether on the facts and in the circumstances of the case, the Appellate Tribunal was right in law in deleting the disallowance made under Section 14 A read with Rule 8 D of the Income Tax Act for the assessment year 2008-09 for the purpose of computing book profit under Section 115 JB of the Act ?
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> 2.Whether on the facts and in the circumstances of the case, the Appellate Tribunal was right in ignoring the Explanation 1 (f0 to Section 115 JB(2) of the Income Tax Act where such disallowances made are to be increased for the purpose of computing book profit?"

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 08.08.2019 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 this case is less than the threshold limit.

5.In the light of the said submissions, the above Tax Case Appeal is 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 this case 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 IV)

//True Copy//

Sub Assistant Registrar

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To

1.The Income Tax Appellate Tribunal,
Chennai, "D" Bench.

2.The Commissioner of Income Tax(Appeals) II,
Chennai.

3.The Assistant Commissioner of Income Tax Co.,
Circle II(3), Chennai-34.

4.The Principal Commissioner of Income Tax (2),
Chennai.

+1cc to M/s.N.V.Balaji, Advocate Sr.11937

ajb[co]
srg 16/03/2021