IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATE: 03.02.2021

CORAM:

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

T.C.A.No.1027 of 2014

Commissioner of Income Tax,
Chennai. ... Appellant

Vs.

M/s.Celebrity Fashions Ltd.,
SDF-IV, 3rd Main Road,
MEPZ-SEZ, Tambaram,
Chennai – 600 045. ... Respondent

Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras, "D" Bench, dated 30.04.2012 in I.TA.No.1319/Mds/2011, Assessment Year 2007-08.

This Appeal filed against the order of Income Tax Appellate Tribunal Madras "D" Bench, Chennai dated 30/04/2012 passed in I.T.A.No.1319/mds/2011 in Assessment Year 2007-2008, against the Commissioner of Income Tax (Appeals)III No.121, Mahatma Gandhi Road, Nungambakkam, Chennai 600 034, in ITA No.593/09-101A-III dated 28/04/2011 in PAN No.AAACC3696D in Assessment Year 2007-2008 against the Assistant Commissioner of Income Tax Company Circle-I (3), Chennai 600 034 dated 23/12/2008 in PAN No.AAACC3696D in Assessment Year 2006-2007.

For Appellant : Mr.T.Ravi Kumar,
Senior Standing Counsel

For Respondent : Mr.S.Sridhar

JUDGMENT

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

We have heard Mr.T.Ravi Kumar, learned Senior Standing Counsel for the appellant/Revenue and Mr.S.Sridhar, 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 30.04.2012 made in I.TA.No.1319/Mds/2011 on the file of the Income Tax Appellate Tribunal, Chennai, "D" Bench (for brevity, the Tribunal) for the Assessment Year 2007-08.

3.The appeal was admitted on 23.12.2014 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 upholding the order of CIT (A) who had restricted the disallowance made under Section 14A to 5% of the dividend income earned?
>
> 2)Whether the finding of the Tribunal is proper especially when the assessing officer was entitled to disallow under Section 14A even though Rule 8D was procedural in nature?"

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 is 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 III)

//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-III,
No.121, Mahatma Gandhi Road,
Chennai-600 034.

3.The Assistant Commissioner of Income Tax
Company Circle -I(3),
Chennai 600 034.

+1cc to M/s.T.Ravikumar, Advocate Sr.6015

T.C.A.No.1027 of 2014

vsn II[co]
srg 24/02/2021