IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 22.07.2021

CORAM

THE HON'BLE MR. JUSTICE M.DURAISWAMY
AND
THE HON'BLE MRS.JUSTICE R. HEMALATHA

T.C.A.No.260 of 2017

Principal Commissioner of Income Tax 2,
No.121, Mahatma Gandhi Road,
Chennai. ... Appellant

Vs.

M/s.EIH Associated Hotels Ltd.,
1/241, GST Road, Meenambakkam,
Chennai - 600 027. ... Respondent

Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras, "B" Bench, dated 22.08.2016 in I.TA.No.1550/Mds/2016, Assessment Year 2007-08 filed against the order of the Income Tax (Appeals) dated 23/03/2016 in ITA.No. 14/CIT (A) -6/2011-12 preferred against the order dated 17/02/2011 passed by the Deputy Commissioner of Income Tax, Company Circle II (1), Chennai in PAN.No. AACE 2125M for the assessment Year 2007-2008.

For Appellant : Mr.Karthik Ranganathan
Senior Standing Counsel

For Respondent : Mr.M.Kaushik
for Mr.S.Sridhar

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

We have heard Mr.Karthik Ranganathan, learned Senior Standing Counsel for the appellant/Revenue and Mr.M.Kaushik for 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 22.08.2016 made in I.TA.No.1550/Mds/2016 on the file of the Income Tax Appellate Tribunal, Chennai, "B" Bench (for brevity, the Tribunal) for the Assessment Year 2007-08.

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

"Whether the Tribunal was right in holding that the expenditure incurred to earn exempt income could not be added to book profit computed under Section 115JB of the Income Tax Act, 1961?"

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5.In the light of the said submissions, the above Tax Case Appeal is dismissed as withdrawn on account of the Low Tax Effect.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 question 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-VIII)

//True Copy//

Sub Assistant Registrar

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To

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

2.The Deputy Commissioner of Income Tax,
Company Circle II (1),
Chennai.

T.C.A.No.260 of 2017

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