IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 21.04.2022

CORAM :

THE HONOURABLE MR. JUSTICE R. MAHADEVAN

AND

THE HONOURABLE MR. JUSTICE J.SATHYA NARAYANA PRASAD

T.C.A.No.359 of 2014

The Commissioner of Income Tax,
Chennai. ... Appellant

Versus

M/s.Shriram City Union Finance Company Ltd.,
Mookambika Complex,
No.4 Lady Desika Road,
Mylapore, Chennai 600 004. ... Respondent

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Chennai, "B" Bench, dated 11.04.2013 in I.TA.No.1744/Mds/2012.

For Appellant	:	Mr.J.Narayanasamy Senior Standing Counsel
For Respondent	:	Mr.R.V.Eswar, Senior Counsel for Mr.R.Sivaraman

JUDGMENT

(Judgment of the Court was delivered by **R. MAHADEVAN, J.**)

This tax case appeal has been filed by the appellant / Revenue, challenging the order dated 11.04.2013 passed by the Income Tax Appellate Tribunal, Bench 'B', Chennai, in I.TA.No.1744/Mds/2012, relating to the assessment year 2009-10.

2.By order dated 10.12.2014, this court admitted the aforesaid tax case appeal on the following substantial questions of law:

> “(i) Whether under the facts and circumstances of the case, the Income Tax Appellate Tribunal was correct in holding that the Assessing Officer, before invoking Rule 8D read with Section 14A of the Income Tax Act, 1961, did not arrive at a satisfaction regarding the correctness of the claim of the assessee in respect of expenditure that was incurred in relation to exempt income, is not correct?
>
> (ii) Whether under the facts and circumstances of the case, the Income Tax Appellate Tribunal was correct in not considering the findings of the Assessing Officer and the Commissioner of Income Tax (Appeals) with regard to the disallowance of expenses invoking Rule 8D read with Section 14A?

(iii) Whether under the facts and circumstances of the case, the Income Tax Appellate Tribunal was correct in deleting the disallowance made by the Assessing Officer under Section 14A, in computing the income both under normal and the provisions of Section 115JB?"

3. When the matter was taken up for consideration, the learned counsel for the appellant / Revenue brought to the notice of this court the Circular No.17/2019 dated 08.08.2019 issued by the Central Board Direct Taxes, wherein, it is stipulated that appeal 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). It is also submitted that the tax effect in this appeal is less than the threshold limit.

4.In the light of the aforesaid submissions made by the learned counsel for the appellant / Revenue, the present appeal, wherein, the tax effect is said to be less than the monetary limit imposed, is dismissed as withdrawn, keeping open the substantial questions of law for determination in an appropriate case. No costs.

(R.M.D., J.) (J.S.N.P., J.)
21.04.2022

Internet : Yes
Index : Yes / No

R. MAHADEVAN, J.
and
J.SATHYA NARAYANA PRASAD, J.

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To

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

2. The Commissioner of Income Tax,
   Chennai.

3. The Additional Commissioner of Income Tax,
   Company Range VI,
   Chennai - 600 034.

4. The Commissioner of Income Tax (Appeals)- V,
   Chennai.

T.C.A.No.359 of 2014

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