IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 05.11.2024

CORAM

THE HON'BLE MR.JUSTICE R.SURESH KUMAR
AND
THE HON'BLE MR.JUSTICE C.SARAVANAN

Tax Case Appeal No.256 of 2024

Principal Commissioner of Income Tax
Chennai. .... Appellant

Vs.

Sudhershan Rani Rallan .... Respondent

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, 'B' Bench Chennai, dated 27.06.2023 made in I.T.A.No.131/Chny/2022.

For Appellant : Mr.J.Narayanaswamy
Senior Standing Counsel

J U D G M E N T
(Delivered by R.SURESH KUMAR, J.)

This Tax Case Appeal has been filed by the Revenue calling in question the correctness of the order passed by the Income Tax Appellate Tribunal, Chennai by raising the following substantial questions of law:

1. *Whether on the facts and in the circumstances of the case the Tribunal was right in holding that disallowance as under Section14A read with Rule 8D cannot be confirmed as computed and disallowed by the Assessing Officer?*

2. *Whether the Tribunal was right in holding that the assessing officer had not recorded any findings as to the expenditure actually made by the assessee for the purpose of earning exempt income and thereby holding that the disallowance computed by the assessing officer is to be set aside?*
3. *Whether the Tribunal was right in not appreciating the assessing officer's findings regarding the correctness of the expenditure computed by the assessee when the assessing officer has specifically questioned the computation of holding that the assessee incurred expenditure of both direct and indirect nature and thereby applying the presumptive provisions of Rule 8D for the purpose of computation of disallowance?*

2. It is brought to our notice by the learned Standing Counsel for the appellant Revenue that in the instant case, as per the CBDT's Circular No.9 of 2024 dated 17.09.2024 the tax effect is said to be less than the monetary limit imposed and therefore, the appeal can be disposed of, keeping the substantial questions of law raised in this appeal open for adjudication at a later point of time.

3. Recording the aforesaid submission made by the learned Standing Counsel for the appellant Revenue, this Tax Case Appeal is dismissed for low tax effect, keeping open the substantial questions of law for adjudication at appropriate stage. No costs.

(R.S.K.,J.) (C.S.N.,J.)
05.11.2024

NCS : Yes/No
KST

To

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

R.SURESH KUMAR, J.

AND
C.SARAVANAN, J.

KST

T.C.A.No.256 of 2024

05.11.2024