IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 31/8/2016

C O R A M

THE HONOURABLE MR.JUSTICE S.MANIKUMAR
AND
THE HONOURABLE MR.JUSTICE D.KRISHNAKUMAR

Tax Case Appeal No.257 of 2016

M/s.Simpson & General Finance Co Ltd
No.861/862 Anna Salai
Chennai 600 002. ... Appellant/Appellant

Vs

The Assistant Commissioner of Income Tax
Company Circle VI (3)
Chennai 600 034. ... Respondent/Respondent

Prayer: Appeal filed under Section 260-A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, Madras 'C' Bench, Chennai dated 30/6/2015 in ITA No.2844/Mds/2014, against the Commissioner of Income Tax (Appeals) VI, Chennai-34, dated 30.09.2014 in I.T.A.No.1446/13-14/ A-VI, for the Assessment Year 2010-11, against the Assistant Commissioner of Income Tax, Company Circle VI(3), Chennai dated 25.03.2010 in PAN/GIR.No.Si 22/AABCS1868A for the Assessment Year 2010-11.

For Appellant : Mr.R.Venkatanarayanan
for Mr.Subbaraya Aiyar

For Respondent : Mr.J.Narayanaswamy
Senior Standing Counsel

J U D G M E N T
(Judgment of the Court was made by S.Manikumar,J)

Challenge in this Tax Appeal, is to an order passed by the Income Tax Appellate Tribunal in I.T.A.No.2844/Mds/2014, dated 30/6/2015, for the assessment year 2010 - 2011.

2. Substantial questions of law raised in the instant Tax Case Appeal are as follows:-

> "1. Whether on the facts and circumstances of the case, the Tribunal was right in law in holding that in the case of

"Finance Lease" transaction the entire lease rental should be offered as income contrary to the Accounting Standard - 19 dealing with according of leases issued by the Institute of Chartered Accountants of India?

2. Whether on the facts and circumstances of the case, the Tribunal was justified in not directing the assessing Officer to consider that in the case of financial lease only the interest income accrued to assessee should be taxed and not the entire lease rental as assessed by him and consequentially withdraw the claim of depreciation on leased assets?

3. Whether on the facts and in the circumstances of the case, the Tribunal was justified in not appreciating that as per Section 14 A only the actual expenditure incurred in relation to income which does not form part of total income shall be disallowed?

4. Whether on the facts and in the circumstances of the case, the Tribunal was justified in confirming the ad hoc disallowance of the estate expenses as capital expenditure?"

3. On this day, when the matter came up for hearing, Mr.R.Venkatanarayanan for Mr.Subbaraya Aiyar, learned counsel for the appellant submitted that the substantial questions of law Nos.1 and 2 have been answered against the assessee and the issues are now pending before the Supreme Court. He further submitted that as the amount involved in Section 14 A of the Income Tax Act is less, substantial questions of law Nos.3 and 4 raised in the instant Tax Case Appeal No.257 of 2016 are not pressed and he has also made an endorsement to that effect.

4. Placing on record the above, Tax Case Appeal No.257 of 2016 is dismissed. No costs.

Sd/-
Assistant Registrar(CS VII)

//True Copy//

Sub Assistant Registrar

mvs.

To

1. The Income Tax Appellate Tribunal,
   Madras 'C' Bench, Chennai.

2. The Assistant Commissioner of Income Tax
   Company Circle VI (3)
   Chennai 600 034.

+1cc to Mr.Subbaraya Aiyar Padmanabhan, Advocate, S.R.No.49446

Tax Case Appeal No.257 of 2016

CTK(CO)
CA(19/09/2016)