IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 27.08.2019

CORAM :

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM
AND
THE HONOURABLE MRS.JUSTICE V.BHAVANI SUBBAROYAN

Tax Case Appeal No.103 of 2015

Commissioner of Income Tax-2,
121, Mahatma Gandhi Road,
Chennai. ...Appellant

Vs

Smt.Savarinayagi ...Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 12.09.2014 made in ITA.No.386/MDS/2013 on the file of the Income Tax Appellate Tribunal, Chennai 'C' Bench against the order of the Commissioner of Income Tax Appeals XII,121,Mahatma Gandhi Roadm Nungambakam,chennai 34 made in ITA.NO.595/2011-2012 dated 22.11.2012 against the Assessment order of the dated 30.12.2011 by the Income Tax Officer, Business Ward XIV(4), chennai 34 in PAN/GIR NO. ANZPS 2226 A for the Assessment Year 2009-2010.

For Appellant : Mr.Karthik Ranganathan,
SSC assisted by
Mr.S.Rajesh, SC
For Respondent : Mr.R.Janakiraman

JUDGMENT
(Judgment was delivered by T.S.Sivagnanam,J.)

We have heard Mr.Karthik Ranganathan, learned Senior Standing Counsel, assisted by Mr.S.Rajesh, learned Standing Counsel appearing for the appellant/revenue and Mr.R.Janakiraman, learned counsel appearing for the respondent/assessee.

2.This appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 is directed against the order dated 12.09.2014 made in ITA.No.386/MDS/2013 on the file of the Income Tax Appellate Tribunal, Chennai 'C' Bench for the assessment year 2009-10.

3.The appeal was admitted on 10.03.2015 on the following substantial questions of law :

> "1.Whether on the facts and in the circumstances of the case, the Tribunal was right in deleting that Section 40a(ia) is applicable only on those amounts 'payable' and not those amounts 'paid' during the year without deducting tax at source?
>
> 2.Whether under the facts and circumstances of the case, the Tribunal was right in following Allahabad High Court judgment in the case of Vector Shipping Services P. Ltd., when the facts of the present case is distinguishable?"

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 08.8.2019 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 on account of the low tax effect. The substantial questions of law framed are left open. In the event the tax effect 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

cse

To

THE INCOME TAX APPELLATE TRIBUNAL,
CHENNAI 'C' BENCH.

2.THE COMMISSIONER OF INCOME TAX APPEALS XII,121,MAHATMA GANDHI ROAD, NUNGAMBAKAM,CHENNAI 34

3.THE INCOME TAX OFFICER, BUSINESS WARD XIV(4), CHENNAI 34

+1cc to Mr.R.Janakiraman , Advocate SR.No. 74540

TCA.No.103 of 2015

A.SK(20/11/2019)