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.490 of 2015

Commissioner of Income Tax,
No.63, Race Course Road,
Coimbatore. ...Appellant

Vs

Shri G.Manivannan ...Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 19.09.2014 made in ITA.No.1661/MDS/2014 on the file of the Income Tax Appellate Tribunal, Chennai 'C' Bench for the assessment year 2010-11 against the Order passed by the Commissioner of Income Tax (Appeals)-11 Coimbatore, dated 25.03.14 made in IT Appeal No.62/12/-13 for the Assessment Year 2010-11 against the Order passed by the Income Tax Officer, Ward I(4), Tirupur, dated 31.12.12, in PANo./GIR No.AHQPM 5546 A for the Assessment Year 2010-2011.

For Appellant : Mr.T.R.Senthilkumar, SSC assisted by Ms.K.G.Usharani

For Respondent: Mr.N.V.Balaji

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

We have heard Mr.T.R.Senthilkumar, learned Senior Standing Counsel, assisted by Ms.K.G.Usharani, learned counsel appearing for the appellant/revenue and Mr.N.V.Balaji, 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 19.09.2014 made in ITA.No.1661/MDS/2014 on the file of the Income Tax Appellate Tribunal, Chennai 'C' Bench for the assessment year 2010-11.

3.The appeal was admitted on 10.08.2015 on the following substantial questions of law :

"(i) Whether in the facts and circumstances of the case, the Tribunal was right in holding that the amendment to Second Proviso to Section 40(a)(ia) introduced in the Finance Act, 2012 with effect from 01.04.2013 is retrospectively applicable, being a declaratory and curative legislation? and

(ii) Whether the Second proviso to Section 40(a)(ia) is applicable to an assessee wherein the recipient had already paid tax on such amount in relevant assessment year?"

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.

cse

Sd/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

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

2. The Commissioner of Income Tax (Appeals) Coimbatore,

3. The Income Tax Officer, Ward I(4), Tirupur,

+1cc to Mr.N.V.Balaji, Advocate, SR.No.74920
+1cc to Mr.T.R.Senthil Kumar, Advocate, SR.No.73608

TCA.No.490 of 2015

Kak(01/11/2019)