IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 21.8.2019

CORAM :

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

TAX CASE APPEAL No.216 of 2013

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

Vs

M/s.Hallmark Engineers, Chennai-37. ...Respondent/ Appellant

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 26.7.2012 made in ITA.No.80/Mds/2011 on the file of the Income Tax Appellate Tribunal, Chennai 'B' Bench for the assessment year 2007-08 against the Order passed by the Commissioner of Income Tax (Appeals)-XII, Chennai, made in ITA No.140/09-10 dated 22.11.2010 against the Order of the Income Tax Officer Ward -XIII (3), Chennai -34 in PA/GA.AADFH3582 K dated 22.12.2009 for the Assessment Year 2007-08.

For Appellant: Mr.Karthik Ranganathan, SSC

For Respondent: Mr.N.Devanathan

Judgment was delivered by T.S.Sivagnanam,J

We have heard Mr.Karthik Ranganathan, learned Senior Standing Counsel appearing for the appellant - Revenue and Mr.N.Devanathan, 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 26.7.2012 made in ITA.No. 80/Mds/2011 on the file of the Income Tax Appellate Tribunal, Chennai 'B' Bench for the assessment year 2007-08.

3. The appeal was admitted on 03.6.2013 on the following substantial questions of law :

> "i. Whether, on the facts and in the circumstances of the case, the Tribunal was right in holding that as per Section 40(a)(ia) of the Income Tax Act, the amounts that

remained paid as on 31.3.2007 would be entitled for the deduction and the balance amounts for which tax was not deducted at source as on the end of the financial year alone can be disallowed ? and

ii. Whether, on the facts and in the circumstances of the case, the Tribunal was right in holding that the provisions of Section 40(a)(ia) have no application with respect to the payments made during the financial 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.

RS

Sd/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

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

2.The Commissioner of Income Tax
(Appeals)-XII, Chennai.

3. The Income Tax Officer
Ward -XIII (3), Chennai -34.

+1cc to Mr.N.Devanathan, Advocate, SR.No.71120

TCA.No.216 of 2013

Kak(12/11/2019)