IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 30.8.2019

CORAM :

The Honourable Mr.Justice T.S.SIVAGNANAM

and

The Honourable Mrs.Justice V.BHAVANI SUBBAROYAN

Tax Case Appeal Nos.429 to 431 of 2016 & CMP.Nos.9080 & 9081 of 2016 in TC.NO.430&431/2016

The Commissioner of Income
Tax, Chennai ...Appellant in all Appeals

Vs

M/s.AR Holdings & Electronics
Ltd., Chennai-4. ..Respondent in all Appeals
PAN NO.AAECA 5650 K

APPEALS under Section 260A of the Income Tax Act, 1961 against the common order dated 13.11.2015 made in ITA.Nos.1741 to 1743/Mds/2013 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench for the assessment years 2006-07 to 2008-09 and against the order of the dated 19.03.13 and made in ITA.NO.188,189&187/2012-13 on the file of the Commissioner of Income Tax Appeals VI,chennai for the assessment years 20006-2007,2007-2008 and against the order dated 09.12.2011 and made in PAN /GIR NO.AAECA 5650 K on the file of the Assistant commisioner of Income Tax,Company Circle I(2) chennai. For the Assessment year 2006-2007,2007-08, 2008-09 respectively.

For Appellant: Mr.T.Ravikumar, SSC and
Mrs.R.Hemalatha, SSC
For Respondent: Mr.A.S.Sriraman

COMMON JUDGMENT

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

We have heard Mr.T.Ravikumar and Mrs.R.Hemalatha, learned Senior Standing Counsel appearing for the appellant - Revenue and Mr.A.S. Sriraman, learned counsel appearing for the respondent - assessee.

2. These appeals, filed by the Revenue under Section 260A of the Income Tax Act, 1961, are directed against the common order dated 13.11.2015 made in ITA.Nos.1741 to 1743/Mds/2013 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench for the assessment years 2006-07 to 2008-09.

3. The appeals were admitted on 18.7.2016 on the following substantial questions of law :

> "i. Whether, on the facts and circumstances of the case, the Tribunal was right in upholding the order of the Commissioner of Income Tax (Appeals) in holding that the lease rental income for usage of properties and the amenities are to be treated as business income only ? And
>
> ii. Is not the finding of the Tribunal bad especially when the prime object of the assessee was to let out the property and give additional rights of using the furniture and fittings, which are to be treated as income from house property only?"

4. The learned Senior Standing Counsel for the appellant submits that the above appeals are 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 the respective cases is less than the threshold limit.

5. In the light of the said submissions, the above tax case appeals are dismissed on account of the low tax effect. The substantial questions of law framed are left open. In the event the tax effect in the respective cases 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 appeals to be heard and decided on merits. No costs. Consequently, the connected CMPs are also dismissed.

Sd/-
Assistant Registrar(CS)

//True Copy//

Sub Assistant Registrar

To
THE INCOME TAX APPELLATE TRIBUNAL, CHENNAI 'D' BENCH.

2.THE COMMISSIONER OF INCOME TAX,CHENNAI
3. THE COMMISSIONER OF INCOME TAX APPEALS VI,CHENNAI
4.THE ASSISTANT COMMISIONER OF INCOME TAX,
COMPANY CIRCLE I(2) CHENNAI.

+1cc to MR.S.Sridhar, Advocate SR.No. 76087
+1cc to Mr.T.Ravikumar , Advocate SR.No. 75261

TCA.Nos.429 to 431 of 2016 &
CMP.Nos.9080 & 9081 of 2016

vd
A.SK(14/11/2019)