IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 28.08.2019

CORAM :

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

TAX CASE APPEAL NO.672 OF 2018

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

Vs

M/s.Deloitte Haskins & Sells,
Chennai.
PAN: AACFD3771D ...Respondent/Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 08.02.2018 made in ITA.No.1517/MDS/2017 on the file of the Income Tax Appellate Tribunal, Chennai 'A' Bench for the assessment year 2012-13. against the order of Commissioner of Income Tax(Appeals)-2, Chennai in ITA.No.71 (CIT(A)-2/2015-16 dated 28.03.2017 and against the order of Assistant Commissioner of Income Tax, Chennai in AACFD3771D/2012-13 dated 31.03.2015.

For Appellant : Mr.T.Ravikumar, SSC
and Ms.R.Hemalatha, SSC

For Respondent : Mr.S.P.Chidambaram

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

We have heard Mr.T.Ravikumar, learned Senior Standing Counsel, and Ms.R.Hemalatha, learned Senior Standing Counsel appearing for the appellant/revenue and Mr.S.P.Chidambaram, 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 08.02.2018 made in ITA.No.1517/MDS/2017 on the file of the Income Tax Appellate Tribunal, Chennai 'A' Bench for the assessment year 2012-13.

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3.The appeal was admitted on 28.08.2018 on the following substantial questions of law :

> "1.Whether the Tribunal was right in holding that the payments of Rs.158,56,741/- made to the retiring partners was on account of overriding title and therefore allowable expenditure eventhough the payment made was self imposed by the assessee and therefore is application of income only?
>
> 2.Whether the gratuitous payments made to the retiring partners is to be treated as a Revenue Expenditure allowable as Business expenditure under Section 37 of the I.T. Act, 1962 even if the same is not for the purpose of carrying its business?"

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 V)

//True Copy//

Sub Assistant Registrar

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To

1. The Income Tax Appellate Tribunal,
   Chennai 'A' Bench.

2. The Commissioner of Income Tax(Appeals)-2,
   121, Mahatma Gandhi Road, Nungambakkam, Chennai.

3. The Assistant Commissioner of Income Tax,
None Corporate Circle 1,
Chennai.

+1cc to Mr.S.P.Chidambaram, Advocate, S.R.No.74237
+1cc to Mr.T.Ravikumar, Advocate, S.R.No.73679



SJ(CO)
CS/31/10/2019

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