IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 26.08.2019

CORAM

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

Tax Case Appeal Nos.657 and 658 of 2014

The Commissioner of Income tax,
Chennai. .. Appellant in both Appeals

-vs-

M/s.Blue Marine Logistics Pvt. Ltd.,
Hariram Buildings 2nd Floor, 16/3,
College Road, Chennai-600 006. .. Respondent in both Appeals

APPEALS under Section 260A of the Income Tax Act, 1961 against the common order dated 17.05.2012, made in I.T.A.No.1550/Mds/2011 and C.O.No.114/Mds/2011 on the file of the Income Tax Appellate Tribunal 'C' Bench, Chennai for the assessment year 2007-08.

TCA No.657 & 658/14: I.T.A.NOs.1550/mds/2011 and C.O.NO.114/mds/2011 against the commissioner of Income Tax (Appeals)III Chennai-34 in ITA No.255/09-10/A-III dt.27/6/2011 in PAN-AACCB6921G for the Assessment Year 2007-2008 against the Assistant Commissioner of Income Tax, Company Circle I(2)(i/c), Chennai-34 in GIR/PAN-AACCB6921G for the Assessment year 2007-2008 dt.24/12/2009.

For Appellant : Mr.T.Ravikumar,
(In both Appeals) Senior Standing Counsel
For Respondent : Mr.R.Sivaraman
(In both Appeals)

COMMON JUDGMENT
(Delivered by T.S.Sivagnanam, J.)

These appeals filed by the Revenue under Section 260A of the Income-tax Act, 1961 are directed against the common order dated 17.05.2012, made in I.T.A.No.1550/Mds/2011 and C.O.No.114/Mds/2011 on the file of the Income Tax Appellate Tribunal 'C' Bench, Chennai for the assessment year 2007-08.

2.The appeals were admitted on 24.09.2014, on the following substantial questions of law:-

> "(i) Whether the Income Tax Appellate Tribunal was right in holding that the disallowance made by the Assessing Officer under Section 40(a)(ia) on account of non-deduction of tax at source in respect of Stevedoring expenses, transportation charges, compressor hire charges were not proper?
>
> (ii) Whether the Tribunal was right in not considering the fact that the word "payable" used in Section 40(a)(ia) would mean only outstanding amount and does not cover the payments already made for the purpose of Section 40(a)(ia)?
>
> (iii) Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in deleting the disallowance made under Section 40(a)(ia)?"

3.Heard Mr.T.Ravikumar, learned Senior Standing Counsel for the appellant - and Mr.R.Sivaraman, learned counsel for the respondent.

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 08.08.2019 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 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 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.

Sd/-
Assistant Registrar

//True Copy//
Sub Assistant Registrar

abr

To

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

2.The Commissioner of Income Tax(Appeals)III,
Chennai-34.

3.The Assistant Commissioner of Income Tax,
Company Circle I(2), Chennai-34.

+1cc to Mr.T.Ravikumar, Advocate SR.72368

T.C.A.Nos.657 and 658 of 2014

RJI(CO)
CB(18/11/2019)