IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 29.08.2019

CORAM

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

Tax Case Appeal Nos.417 to 419 of 2017

Principal Commissioner of Income Tax 4,
No.121, Mahatma Gandhi Road,
Chennai-600 034. .. Appellant in all Appeals

-vs-

M/s.Maya Appliances Pvt Ltd.,
2, Boat Club I Avenue,
Raja Annamalaipuram,
Chennai-600 028.
PAN: AAA CM 6280D .. Respondent in all Appeals

Appeals under Section 260A of the Income-tax Act, 1961, against the common order dated 09.09.2016, made in I.T.A.Nos.2320, 2321 & 2322/Mds/2015 on the file of the Income Tax Appellate Tribunal 'A' Bench, Chennai for the assessment years 2006-07, 2008-09 and 2009-10 respectively,

against the order dated 08/09/2015 made in ITA Nos.127, 128 & 129/14-15/MP on the file of the Commissioner of Income Tax (Appeals)-8, Chennai for the Assessmetn Year 2006-07, 2007-2008, and 2009-2010,

against the order dated 28/11/2008, 31/12/2010 & 20/12/2011 made in PAN/GIR No.AAACM6280D on the file of the Assistant Commissioner of Income Tax Company Circle IV(1), Chennai for the Assessment Year 2006-07, 2008-2009 & 2009-2010 respectively.

For Appellant (In all Appeals) : Mr.T.R.Senthil Kumar, Senior Standing Counsel
: assisted by Ms.K.G.Usharani, Standing Counsel

For Respondent (In all Appeals) : Mr.R.Venkatanarayana, For M/s.Subbaraya Aiyar, Padmanabhan

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 09.09.2016, made in I.T.A.Nos.2320, 2321 & 2322/Mds/2015 on the file of the Income Tax Appellate Tribunal 'A' Bench, Chennai for the assessment years 2006-07, 2008-09 and 2009-10 respectively.

2.The appeals were admitted on 16.08.2017, on the following substantial question of law:-

> "Whether in the facts and circumstances of the case and in law, the learned Tribunal was right and justified in holding that levy of fringe benefit tax is not warranted in the case of the assessee since expenses were incurred only on the 'dealers' of the assessee, who are not the employees of the assessee and thus ignoring the provisions of Section 115WB(2) of the Income Tax Act, 1961 on deemed fringe benefits?"

3.Heard Mr.T.R.Senthil Kumar, learned Senior Standing Counsel assisted by Ms.K.G.Usharani, learned Standing Counsel for the appellant - and Mr.R.Venkatanarayana, learned counsel, for M/s.Subbaraya Aiyar, Padmanabhan & Ramamani, 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 these 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 question of law framed is 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(CS IV)

//True Copy//

Sub Assistant Registrar

abr

To

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

2.The Commissioner of Income Tax (Appeals)-8,
Chennai.

3.The Assessment Commissioner of Income Tax Company Circle IV(1),
Chennai.

+1cc to M/s.Subbaraya Aiyar Padmanabhan, Advocate Sr.75138

T.C.A.Nos.417 to 419 of 2017

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srg 19/11/2019