IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 29.08.2019

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

Tax Case Appeal Nos.7 and 8 of 2017

Principal Commissioner of Income Tax-7,
121, Mahatma Gandhi Road, Chennai. .. Appellant in both Appeals

-vs-

Shri.Elred Kumar Santhanam,
20, Alagesan Street,
West Tambaram, Chennai-600 045.
PAN: AAD PE 2378 L .. Respondent in both Appeals

Appeals under Section 260A of the Income-tax Act, 1961, against the common order dated 20.01.2016, made in I.T.A.Nos.85 & 86/Mds/2015 on the file of the Income Tax Appellate Tribunal 'B' Bench, Chennai for the assessment years 2010-11 and 2011-12 respectively, against the order dated 25/09/2014 made in ITA.NOs.318/2013-14 & 227/2014-15 passed by the Commissioner of Income Tax(Appeals)-II, Chennai and against the order dated 23/03/13 and 27/03/14 passed by the Deputy Commissioner of Income Tax (2/c), Circle -I, Tambaram Range, Tambaram for the assessment year 2010-11 and 2011-12 respectively.

For Appellant : Mr.Karthik Ranganathan,
(In both Appeals) Senior Standing Counsel
assisted by Mr.S.Rajesh,
Standing Counsel

For Respondent : Mr.R.Kumar
(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

20.01.2016, made in I.T.A.Nos.85 & 86/Mds/2015 on the file of the Income Tax Appellate Tribunal 'B' Bench, Chennai for the assessment years 2010-11 and 2011-12 respectively.

2.The appeals were admitted on 23.01.2017, on the following substantial question of law:-

> "Whether on the facts and circumstances of the case, the ITAT was right in law in deleting the disallowance made under Section 40(a)(ia) in the year under consideration as the statutory provisions are amply clear and in the context of section 40(a)(ia) of the Act, the term 'payable' would include amounts which are paid during the previous year?"

3.Heard Mr.Karthik Ranganathan, learned Senior Standing Counsel assisted by Mr.S.Rajesh, learned Standing Counsel for the appellant - and Mr.R.Kumar, 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 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(CCC)

//True Copy//

Sub Assistant Registrar

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To

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

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

3.The Deputy Commissioner of Income Tax(2/c) Circle-I, Tambaram Range, Tambaram.

T.C.A.Nos.7 and 8 of 2017

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