IN THE HIGH COURT OF JUDICATURE AT MADRAS
DATED : 18.03.2021
CORAM
THE HON'BLE MR. JUSTICE M.DURAISWAMY
AND
THE HON'BLE MRS.JUSTICE T.V.THAMILSELVI
T.C.A.No.436 of 2012

Commissioner of Income Tax,
Chennai. ... Appellant

Vs.

Shri G.Kuppuswamy
No.34, Rathnasabapathy Street,
Old Washermanpet,
Chennai - 600 021. ... Respondent

Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras, "A" Bench, dated 17.05.2012 in I.TA.No.1599/Mds/2010, Assessment Year 2006-07 made against the order of the commissioner of Income Tax(A)-XI Chennai dated 11.06.2010 in ITA No.191/2008-09, for the Assessment year 2006-07, against the order of the Assessing officer - Assistant Commissioner of Income Tax Business Range VI, Chennai - 34 dated 31.12.2008, for the Assessment year 2006-07.

For Appellant : Mr.Karthik Ranganathan
Senior Standing Counsel

For Respondent : No appearance

JUDGMENT

(Judgment was delivered by M.DURAISWAMY, J.)

We have heard Mr.Karthik Ranganathan, learned Senior Standing Counsel for the appellant/Revenue.

2.The appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 (for short, the Act) is directed against the order dated 17.05.2012 made in I.TA.No.1599/Mds/2010 on the file of the Income Tax Appellate Tribunal, Chennai, "A" Bench (for brevity, the Tribunal) for the Assessment Year 2006-07.

3.The appeal was admitted on 12.12.2012 on the following substantial question of law:

> "Whether under the facts and circumstances of the case, the Income Tax Appellate Tribunal was correct in holding that the disallowance under Section 40(a)(ia) would be applicable only with respect to the amounts

which remain payable as on the last date of the previous year relevant to the assessment year, following the decision of the Special Bench in the case of M/s.Merilyn Shipping & Transports (ITA No.477/viz/2008), which has not attained finality?”

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 08.08.2019 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 Appeal is dismissed as withdrawn on account of the Low Tax Effect. The substantial question of law framed is left open. In the event the tax effect in this case 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 VII)

/TRUE COPY/

Sub-Assistant Registrar

To
1.The Income Tax Appellate Tribunal,
Chennai, “A” Bench

2.The Commissioner of Income Tax(A)-XI,
Chennai.

3.The Assistant Commissioner of Income Tax Business Range VI,
Chennai – 34.

T.C.A.No.436 of 2012

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KKN 30.04.2021