IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 18.01.2021

CORAM :

The Honourable Mr.Justice T.S.SIVAGNANAM
and
The Honourable Ms.Justice R.N.MANJULA

Tax Case Appeal No.566 of 2019

Commissioner of Income Tax,
Corporate Circle 3,
Chennai. ...Appellant/Respondent

Vs

M/s.Trio Shipping Services Private Limited,
No.34, Gopal Street,
T.Nagar, Chennai - 600 017.
PAN: AABCT2299N ...Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 22.03.2019 made in ITA.No.1779/Chny/2018 on the file of the Income Tax Appellate Tribunal, 'C' Bench, Chennai for the assessment year 2011-12, against the order passed by the Commissioner of Income Tax (Appeals)-13, Chennai-34 dated 01/03/2018 made in ITA No.14/CIT (A)-13/2011-12 and against the order passed by the Deputy Commissioner of Income Tax Company Circle III(2), Chennai dated 20.03.2014 made in GIR No./PAN.AABCT2299N for Assessment Year 2011-12.

For Appellant:M/s.V.Pushpa
Standing Counsel

For Respondent:M/s.Harshni Jyothiraman

JUDGMENT

(Delivered by T.S.Sivagnanam,J)

This appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 (for short, the Act) is directed against the order 22.03.2019 made in ITA.No.1779/Chny/2018 on the file of the Income Tax Appellate Tribunal, 'C' Bench, Chennai (for brevity, the Tribunal) for the assessment year 2011-12.

2. The appellant was admitted on 08.08.2019 on the following substantial questions of law for consideration:

> "i.Whether, on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in deleting the addition made under Section 37(1) by holding that the commission payments were not doubted by the Lower Authorities, when the same was doubted by both the Assessing Officer and the Commissioner of Income Tax (Appeals)?
>
> ii.Whether, on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in deleting the commission payment made by the assessee to the tune of Rs.1,60,50,000/- under Section 37(1) when the assessee could not produce any evidence for the justification of the payment?"

3. We have heard M/s.V.Pushpa, learned Standing Counsel for the Appellant – Revenue and M/s.Harshni Jyothiraman, learned counsel appearing for the respondent.

4. The learned Senior Standing Counsel appearing 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 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 file a petition before this Court to restore the appeal to be heard and decided on merits. No costs.

Sd/-
Assistant Registrar(CS IX)

//True Copy//

Sub Assistant Registrar

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To

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

2.The Commissioner of Income Tax,
Corporate Circle-3, Chennai.

3.The Commissioner of Income Tax,
Appeals (13), Chennai-34.

4.The Deputy Commissioner of Income Tax Company Circle,
II(2), Chenani.

+1cc to Mr.M.Swaminathan, Advocate Sr.2442

TCA.No.566 of 2019

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srg 09/02/2021