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 No.712 of 2017

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

-vs-

M/s.Velti India Pvt. Ltd.,
(Air2Web India Pvt. Ltd.),
Unit No.1 & 2, 1st Floor,
Pinnacle Buildings, INTL TECH Park,
CSIR, Taramani, Chennai-113.
PAN: AAC CA 8496 P ... Respondent/Respondent

Appeal under Section 260A of the Income-tax Act, 1961, against the order dated 06.01.2016, made in I.T.A.No.1651/Mds/2015 on the file of the Income Tax Appellate Tribunal 'B' Bench, Chennai for the assessment year 2010-11,

against the order passed by the Commissioner of Income Tax (Appeals)I, Chennai-34, made in ITA No.102/13-14/A-1 made in ITA 179/CIT (A)-I 2013-14 dated 23.3.2015 and against the order passed by the Deputy Commissioner of Income Tax, Company Circle I(1), Chennai made in GIR. PAN .AX6320, AACCAB466P dated 19/03/2013.

For Appellant : Mr.Karthik Ranganathan, Senior Standing Counsel
: assisted by Mr.S.Rajesh, Standing Counsel

For Respondent : Mr.A.S.Sriraman for Mr.S.Sridhar

JUDGMENT

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

This appeal filed by the Revenue under Section 260A of the Income-tax Act, 1961 is directed against the order dated

06.01.2016, made in I.T.A.No.1651/Mds/2015 on the file of the Income Tax Appellate Tribunal 'B' Bench, Chennai for the assessment year 2010-11.

2.The appeal has been admitted on 21.12.2017, on the following substantial questions of law:-

> "(i) Whether on the facts and circumstances of the case, the Income Tax Appellate Tribunal was right in law in holding that the disallowance of Rs.20,33,130/- being the payment made towards 'carrier charges' paid to non resident under Section 40(a)(i) of the Income Tax Act for non deduction of TDS under Section 195 is to be allowed? and
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> (ii) Whether on the facts and circumstances of the case and in law, the Tribunal was right and justified in holding that service charges received in advance in lumpsum cannot be treated as income of the year of receipt?"

3.Heard Mr.Karthik Ranganathan, learned Senior Standing Counsel assisted by Mr.S.Rajesh, learned Standing Counsel for the appellant - and Mr.A.S.Sriraman, learned counsel for Mr.S.Sridhar, learned Counsel for the respondent.

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 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 appeal to be heard and decided on merits. No costs.

Sd/-
Assistant Registrar(CS VIII)

//True Copy//

Sub Assistant Registrar

To

1.The Income Tax Appellate Tribunal 'B' Bench,
  Chennai-34.

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

3.The Deputy Commissioner of Income Tax, Company Circle I(1),
  Chennai.

+1cc ot Mr.S.Sridhar, Advocate Sr.75282

T.C.A.No.712 of 2017

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srg 19/11/2019