IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 29.03.2021

CORAM

THE HON'BLE MR. JUSTICE M.DURAISWAMY
AND
THE HON'BLE MRS.JUSTICE T.V.THAMILSELVI

T.C.A.No.1237 of 2015

The Commissioner of Income Tax,
Chennai. ... Appellant

Vs.

M/s.RMP Infotech Pvt. Ltd.,
Old No.183, New No.300,
Thambu Chetty Street,
Chennai - 600 001. ... Respondent

Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras, "C" Bench, dated 30.06.2015 in I.TA.No.1972/Mds/2010, Assessment Year 2007-08 and against the order of the Commissioner of Income Tax (Appeals)-V, Chennai, dated 24.08.2010 in ITA.No.297/2009-10, Assessment year 2007-08 and against the order of the Assistant Commissioner of Income Tax, Company Circle V(4), Chennai, dated 24.12.2009 in PAN No. AACC121462, Assessment year 2006-07.

For Appellant : Mr.T.Ravi Kumar,
Senior Standing Counsel

For Respondent : Mr.M.Kaushik
for Mr.S.Sridhar

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

We have heard Mr.T.Ravi Kumar, learned Senior Standing Counsel for the appellant/Revenue and Mr.M.Kaushik for Mr.S.Sridhar, learned counsel for the respondent/assessee.

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 30.06.2015 made in I.TA.No.1972/Mds/2010 on the file of the Income Tax Appellate Tribunal, Chennai, "C" Bench (for brevity, the Tribunal) for the Assessment Year 2007-08.

3.The appeal was admitted on 18.01.2016 on the following substantial questions of law:

> "1.Whether on the facts and circumstances of the case, the Tribunal was right in holding that disallowance made under Section 40(a)(ia) is not proper?
>
> 2.Whether the reasoning of the Tribunal is proper in holding that the disallowance is to be made only on those amounts which were outstanding and not on payments which had already been paid while dealing with Section 40(a)(ia)?
>
> 3.Whether the term payable would include the amount already paid with reference to Section 40 (a)(ia) of the Income Tax Act, 1961?"

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 questions of law framed are 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 III)

//True Copy//

Sub Assistant Registrar

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To

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

2. The Commissioner of Income Tax,
   Chennai- 600 034.

3. The Assistant Commissioner of Income Tax,
   Company Circle V(4), Chennai.

Copy to: 1.The Section Officer,
A.E. Section,
High Court, Madras.

2.The Section Officer,
Judicial Section,
High Court, Madras.

+1cc to Mr.T.Ravikumar, Advocate, SR.No.20513.
+1cc to Mr.S.Sridhar, Advocate SR.No.20510.

T.C.A.No.1237 of 2015

NR(CO)
CSR 28.04.2021