IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 17.03.2021

CORAM

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

T.C.A.No.607 of 2013

Commissioner of Income Tax,
Chennai – II. ... Appellant

Vs.

Laser Soft Infosystems Ltd.,
Prince Info Park, A Block,
81B, II Main Road,
Ambattur Industrial Estate,
Ambattur, Chennai – 600 058. ... 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 31.01.2013 in I.TA.No.107/Mds/2012, Assessment Year 2007-08. against the order of the Commissioner of Income Tax (Appeals) – IV, Chennai – 34 dated 01.11.2011 in ITA No.403/11-12/CIT(A)- IV, for the Assessment year 2007-2008, against the order of the Income Tax Officer, Company ward II (1) Chennai dated 24.12.2009 in PAN:AAACL 5896N for the Assessment year 2007-2008.

For Appellant : Mr.Karthik Ranganathan
Senior Standing Counsel

For Respondent : Mr.S.Rajesh

JUDGMENT

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

We have heard Mr.Karthik Ranganathan, learned Senior Standing Counsel for the appellant/Revenue and Mr.S.Rajesh, 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 31.01.2013 made in I.TA.No.107/Mds/2012 on the file of the Income Tax Appellate Tribunal, Chennai, "A" Bench (for brevity, the Tribunal) for the Assessment Year 2007-08.

3.The appeal was admitted on 20.12.2013 on the following substantial question of law:

> "Whether on the facts and in the circumstances of the case, the Appellate Tribunal was right in allowing depreciation at 60% on development of Software when the assessee is selling the same as licenses and the licenses are covered under the head intangible assets?"

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5.In the light of the said submissions, the above Tax Case Appeal is dismissed as withdrawn on account of the Low Tax Effect.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

//True Copy//

Sub Assistant Registrar

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To
1.The Income Tax Appellate Tribunal, Chennai, "A" Bench
2.The Commissioner of Income Tax,(Appeals)-IV,Chennai - 34
3.The Income Tax Officer,
Company ward II(1), Chennai.
4.The Commissioner of Income Tax, Chennai-II.

T.C.A.No.607 of 2013

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RG.17.04.2021