IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATE: 02.03.2021

CORAM:

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

T.C.A.Nos.154 to 156 of 2014

Commissioner of Income Tax,
Chennai. ... Appellant in all TCAs/Respondent

Vs.

M/s.MGM Transport Pvt. Ltd.,
189, Waltax Road,
Chennai - 600 003. ... Respondent in all TCAs/Appellant

Appeals preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras, "B" Bench, dated 25.02.2013 in I.TA.Nos.1282, 1283 & 567/Mds/2011 Assessment Year 2005-06, 2008-09 & 2007-08, as against the order of the Commissioner of Income Tax (A)-V, Chennai in ITA No.230/09-10 dated 27.12.2010, ITA No.424/10-11 dated 20.04.2011 and ITA No.161/10-11, dated 21.04.2011 for the Assessment Year 2007-2008, 2008-09 and 2005-2006 respectively as against the order of the Assistant Commissioner of Income Tax Company Circle-IV(2) Chennai in PAN No.AACM5458M, dated 31.12.2010, 23.12.2010 and 10.12.2009 for the Assessment Years 2008-2009, 2007-2008 and 2005-2006 respectively.

For Appellant : Mr.Karthick Ranganathan,
(in all TCAs) Senior Standing Counsel

For Respondent : Mr.R.Janakiraman
(in all TCAs)

COMMON JUDGMENT

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

We have heard Mr.Karthick Ranganathan, learned Senior Standing Counsel for the appellant/Revenue and Mr.R.Janakiraman, learned counsel for the respondent/assessee.

2.The appeals, filed by the Revenue under Section 260A of the Income Tax Act, 1961 (for short, the Act) is directed against the order dated 25.02.2013 made in I.TA.Nos.1282, 1283 &

567/Mds/2011 on the file of the Income Tax Appellate Tribunal, Chennai, "B" Bench (for brevity, the Tribunal) for the Assessment Year 2005-06, 2008-09 & 2007-08.

3.The appeals were admitted on 06.08.2014 on the following substantial questions of law:

> "1)Whether under the facts and circumstances of the case, the Income Tax Appellate Tribunal was right in holding that the assessee was liable to deduct tax at source on the hire charges payments to sister concern as per netting formula quo payments made in furtherance to cross hiring engagement of vehicles with its sister concern for the purpose of application of Section 40(a)(ia)?
>
> 2)Whether on the facts and circumstances of the case, the Income Tax Appellate Tribunal was correct in deciding that the shortfall in tax deduction at source does not attract disallowance under Section 40 (a)(ia)?
>
> 3)Whether on the facts and circumstances of the case, the Income Tax Appellate Tribunal was right in holding that the provisions of Section 40(a)(ia) will not apply to belated payments of tax deduction at source made before the due date for filing of return of income?"

4.The learned Senior Standing Counsel for the appellant submits that the above appeals are 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 these cases are less than the threshold limit.

5.In the light of the said submissions, the above Tax Case Appeals are 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 appeals to be heard and decided on merits. No costs.

Sd/-
Assistant Registrar(CS IV)

//True Copy//

Sub Assistant Registrar

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To

1.The Income Tax Appellate Tribunal,
Chennai, "B" Bench.

2.The Commissioner of Income Tax,
Chennai.

3.The Commissioner of Income Tax (Appeal)-V,
Chennai.

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

T.C.A.Nos.154 to 156 of 2014

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