IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATE: 23.02.2021

CORAM:

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

T.C.A.Nos.481 & 484 of 2017

M/s. Madras Engineering Industries P Ltd.,
14, Sathyanarayana Avenue,
R.A.Puram,
chennai - 600 028
PAN : AAACM 4509 P ... Appellant/Appellant in both TCAs

vs.

The Deputy Commissioner of Income Tax.
Circle - 4(1),
Chennai - 600 034. ... Respondent/Respondent in both TCAs

Appeals preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Chennai, ''A'' Bench, dated 21.09.2016 in I.T.A.Nos.2259 Mds/2015 & 126/Mds/2016 for the Assessment Year 2010-2011 and this appeal preferred against the Commissioner of Income Tax (Appeals) 8 Chennai order dated 30.10.2015 made in ITA.No. 18/2013-14, 18/2014-15 & 61/2015-16 for the Assessment Year 2010-2011, 2011-12 & 2012-2013 and against the Deputy Commissioner of Income Tax, Company Circle - IV, (1), Chennai order dated 27.03.2013 made in PAN/GIR.No.AAACM4509A for the Assessment Year 2010 -2011.

For Appellant : Mr.M. Kaushik
(in both TCA) for Mr. A.S.Sriraman

For Respondent : Mr. Karthik Ranganathan
(in both TCA) Standing Counsel

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

These appeals, filed by the Revenue under Section 260A of the Income Tax Act, 1961 (for short, the Act) are directed against the common order dated 21.09.2016 made in I.T.A.Nos.2259 Mds/2015 & 126/Mds/2016 on the file of the Income Tax Appellate Tribunal, Chennai, ''A'' Bench (for brevity, the Tribunal) for the Assessment Year 2010-2011.

2.The appeals were admitted on 14.11.2017 on the following substantial questions of law:

> "(i) Whether the Income Tax Appellate Tribunal is correct in law in sustaining the disallowance of the claim for deduction of guarantee commission paid to the Directors of the assessee company, including a non-whole time Director, by questioning the necessity of such payment in the course of business of the assessee company?
>
> (ii) Whether the Revenue is empowered to question the necessity of payment in the course of business of the assessee company either under section 37(1) of the Income Tax Act, 1961 or under section 40A(2)(a) of the said Act or under any other provision of the said Act?
>
> (iii) Whether the Income Tax Appellate Tribunal erred in law in sustaining the disallowance or rent payments to a Director towards rent of a property owned by such Director and taken by the company on lease and/or tenancy to provide rent free accommodation to the same Director under the contract of employment of the Director with the assessee company?
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> (iv) Whether the Income Tax Appellate Tribunal erred in law in disregarding the original transaction between the assessee company and its Director under section 40A(2) (a) of the Income Tax Act, 1961 with regard to payment of rent to a Director in respect of the premises leased from such Director and treating the same as payment of remuneration in another form notwithstanding the existence of an enforceable lease agreement and/or rental agreement?
>
> (v) Whether the Income Tax Appellate Tribunal erred in law in sustaining the disallowance fo payment of rent by the assessee company to its Director for the property taken on lease/rent from the Director, though no authority had questioned ;the fair market value of the rent paid to the Director of the property leased to the assessee company?"

.3. We have heard Mr.M. Kaushik, learned counsel for the appellant and Mr. Karthik Ranganathan, learned Standing Counsel for the respondent.

4. It may not be necessary for this Court to decide the Substantial Questions of Law framed for consideration on account of certain subsequent developments. The Government of India enacted the Direct Tax Vivad Se Vishwas Act, 2020 (Act 3 of 2020) to provide for resolution of disputed tax and for matters connected therewith or incidental thereto. The Act of the Parliament received the assent of the President on 17th March 2020 and published in the Gazette of India on 17th March 2020.

5. We are informed by the learned counsel for the appellant that the assessee has already been issued with Form - 3 on 11.12.2020 and the learned counsel for the appellant seeks permission of this Court to withdraw the appeals.

6. In view of the submission made by the learned counsel for the appellant, the Tax Case Appeals are dismissed as withdrawn. No costs.

Sd/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

Rj

To

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

2. The Commissioner of Income Tax (Appeals) 8,
   Chennai.

3. The Deputy Commissioner of Income Tax.
   Circle - 4(1),
   Chennai - 600 034.

+1cc to Mr.S.Sridhar, Advocate, S.R.No. 11083

T.C.A.Nos.481 & 484 of 2017

KJ(CO)
GN(24/03/2021)