**IN THE HIGH COURT OF JUDICATURE AT MADRAS**

**DATED: 21.10.2024**

**CORAM**

**THE HON'BLE MR.JUSTICE R.SURESH KUMAR**
**AND**
**THE HON'BLE MR.JUSTICE C.SARAVANAN**

**<u>Tax Case Appeal No.913 of 2015</u>**

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

Vs.

M/s.TVS Electronics Ltd
"Jayalakshmi Estate"
29 (Old No.8), Haddows Road
Chennai 600 006.
PAN : AAACT 2957 N .... Respondent

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Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, 'C' Bench Chennai, dated 24.01.2014 made in I.T.A.No.1278/Mds/2013

For Appellant : Mr.J.Narayanaswamy
Senior Standing Counsel

For Respondent : Mr.R.Venkatanarayanan
for M/s.Subbaraya Aiyar Padmanabhan

**J U D G M E N T**

(Delivered by R.SURESH KUMAR, J.)

This Tax Case Appeal has been filed by the Revenue calling in question the correctness of the order passed by the Income Tax Appellate Tribunal, Chennai by raising the following substantial questions of law:

1. *Whether the Tribunal was right in holding that the receipt of annual maintenance contract charges made by the assessee has to be taxed by spreading over the receipt throughout the AMC period?*

2. *Is not the finding of the Tribunal bad especially when the assessee is following Mercantile system of Accountancy and AMC charges had been received in full and therefore liable to be taxed in the year of receipt?*

2. It is brought to our notice by the learned Standing Counsel for the appellant Revenue that in the instant case, as per the CBDT's Circular No.9 of 2024 dated 17.09.2024 the tax effect is said to be less than the monetary limit imposed and therefore, the appeal can be disposed of, keeping the substantial questions of law raised in this appeal open for adjudication at a later point of time.

3. Recording the aforesaid submission made by the learned Standing Counsel for the appellant Revenue, this Tax Case Appeal is dismissed for low tax effect, keeping open the substantial questions of law for adjudication at appropriate stage. No costs.

**(R.S.K.,J.) (C.S.N.,J.)**
**21.10.2024**

NCS : Yes/No
KST

To

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

**R.SURESH KUMAR, J.**

**AND**
**C.SARAVANAN, J.**

KST

**T.C.A.No.913 of 2015**

**21.10.2024**