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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ **ITA 115/2017**

THE PR. COMMISSIONER OF INCOME TAX-4 ..... Appellant
Through: Mr. Ruchir Bhatia, Advocate.

Versus

M/S HENKAL TEROSON INDIA LTD. ..... Respondent
Through: Mr. Gaurav Jain and Ms. Bhavita K., Advocates.

**CORAM:**
**HON'BLE MR. JUSTICE S. RAVINDRA BHAT**
**HON'BLE MR. JUSTICE NAJMI WAZIRI**

**O R D E R**

**% 28.02.2017**

The solitary question of law urged by the Revenue in this appeal under Section 260A of the Income Tax Act, 1961 is with respect to the treatment of expenditure incurred by the assessee, i.e. towards payments of technical know-how fee. The Assessing Officer (AO) brought the amount to tax by treating it as a capital expenditure holding that it resulted in an enduring advantage. The Commissioner of Income Tax (Appeals) [CIT (A)] and the Income Tax Appellate Tribunal (ITAT), concurrently overruled the AO’s finding holding that the technical know-how fee was payable for a limited duration and that with the cessation of the agreement, such payments automatically had to stop and that consequently the expenditure properly had to be treated in the Revenue’s stream.

The Court is of the opinion that no substantial question of law arises; the material on record also discloses that for previous years, similar expenditure was treated as a Revenue expenditure. The appeal is, therefore, dismissed.

**S. RAVINDRA BHAT, J.**

**NAJMI WAZIRI, J.**

**FEBRUARY 28, 2017**
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