IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 29.08.2019

CORAM

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM
and
THE HONOURABLE MRS.JUSTICE V.BHAVANI SUBBAROYAN

Tax Case Appeal No.213 of 2017

Commissioner of Income Tax,
Corporate Circle 3, Chennai. .. Appellant

-vs-

M/s.TTK Healthcare Limited,
No.6, Cathedral Road,
Chennai-600 006.
PAN: AABCT 3312 J .. Respondent

Appeal under Section 260A of the Income-tax Act, 1961, against the order dated 08.09.2016, made in I.T.A.No.1921/Mds/2016 on the file of the Income Tax Appellate Tribunal 'A' Bench, Chennai for the assessment year 2005-06 against the order of the Commissioner of Income Tax Appeals II,121,Mahatma Gandhi Road, chennai 34 dated 28.03.2016 in ITA.NO.674/CIT (A) 11/2013-2014 PAN NO.AA BCT 3312 J for the Assessment Year 2005-2006 and against the order of the Commissioner of Income Tax Company Circle III,(2) chennai 34 dated 28.03.2013 GIR/PAN NO. AA BCT 3312 J for the Assessment Year 2005-2006 respectively.

For Appellant : Mr.M.Swaminathan,
Senior Standing Counsel
assisted by Ms.V.Pushpa
Standing Counsel

For Respondent : Mr.R.Venkatanarayana,
For M/s.Subbaraya Aiyar
Padmanabhan & Ramamani

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JUDGMENT
(Delivered by T.S.Sivagnanam, J.)

This appeal filed by the Revenue under Section 260A of the Income-tax Act, 1961 is directed against the order dated 08.09.2016, made in I.T.A.No.1921/Mds/2016 on the file of the Income Tax Appellate Tribunal 'A' Bench, Chennai for the assessment year 2005-06.

2.The appeal has been admitted on 07.04.2017, on the following substantial question of law:-

> "Whether on the facts and circumstances of the case and in law, the Tribunal was right and justified in holding that logo charges paid by the assessee were revenue in nature even though such payment was continuously made for several years and the assessee got enduring benefit?"

3.Heard Mr.M.Swaminathan, learned Senior Standing Counsel assisted by Ms.V.Pushpa, learned Standing Counsel for the appellant - and Mr.R.Venkatanarayana, learned counsel, for M/s.Subbaraya Aiyar, Padmanabhan & Ramamani, for the respondent.

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 on account of the low tax effect. The substantial question of law framed is left open. In the event the tax effect 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(CS)

//True Copy//

Sub Assistant Registrar

abr

To

1.THE INCOME TAX APPELLATE TRIBUNAL 'A' BENCH, CHENNAI.

2.THE COMMISSIONER OF INCOME TAX APPEALS II,121,MAHATMA GANDHI ROAD, CHENNAI 34

3.THE ASSISTANT COMMISSIONER OF INCOME TAX ,CHENNAI 34

+1cc to Mr.M.Swaminathan , Advocate SR.No. 75041
+1cc to Mr.M/s.Subbaraya Aiyar , Advocate SR.No. 75145

T.C.A.No.213 of 2017

ad (CO)
A.SK(25/11/2019)