IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 05.08.2020

CORAM

THE HON'BLE DR.JUSTICE VINEET KOTHARI
AND
THE HON'BLE MR.JUSTICE KRISHNAN RAMASAMY

T.C.A.No.1166 of 2010

Commissioner of Income Tax,
Chennai ... Appellant/Respondent

vs.

M/s.J.M.Bottling (P) Ltd.,
5/1, Numbal Post
Puliambedu Village,
Velappan Chavadi,
Chennai ... Respondent/Appellant

Prayer ::- Appeal filed against the order of the Income Tax Appellate Tribunal, Madras B Bench, dated 18.06.2010 in ITA No.1639/Mds/2002 for the assessment year 1998-99, against the order of the commissioner of Income Tax(Appeals)-XI, 121, Mahatma Gandhi Salai, Chennai-34 dated 09/08/2002, in ITA-TR.NO.434/2001-02 against the Order, of the Joint Commissioner of Income-Tax, Special Range-VIII, 121, M.G.Salai, Chennai-34, dated 19/03/2001 in I.R.No.2-J/98-99/SR-VIII.

For appellant : Mr.Karthik Ranganathan, Sr.Standing Counsel

ORDER

(Made by DR.VINEET KOTHARI, J.)

The Court was held by Video Conference, as per the Resolution of the Full Court dated 3 July 2020, by Judges at their respective residence and the counsel, staff of the Court appearing from their respective residences.

2. 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, Madras "B" Bench, in ITA

No.1639/Mds/2002 by raising the following substantial question of law:

> " Whether on the facts and in the circumstances of the case, the Appellate Tribunal was right in in holding that the sum of Rs.1 crore paid by the assessee to M/s J.M. Beverages Ltd. on termination of its agreement with the said company should be allowed as revenue expenditure?"

3. When the matter is taken up for hearing, learned Standing Counsel brought to our notice the Circular issued by the Central Board of Direct Taxes vide Circular No.17/2019 dated 8th August 2019, wherein, it is stipulated that appeals shall not be filed/pursued by the Department before the High Court in cases where the tax effect does not exceed Rs.1,00,00,000/- (Rupees One Crore).

4. In the instant case, the tax effect is said to be less than the monetary limit imposed and therefore, the Appeal filed by the Revenue is dismissed as withdrawn, keeping open the substantial questions of law for determination in appropriate cases. No costs.

5. Registry is directed to send a copy of the judgment to the respondent/ assessee.

Sd/-

Assistant Registrar(ADI-MDU)

//True Copy//

Sub Assistant Registrar

kpl/tar

To

1.M/s.J.M.Bottling (P) Ltd.,
5/1, Numbal Post
Puliambedu Village,
Velappan Chavadi,
Chennai.

2.The Income Tax Appellate Tribunal,
Chennai Bench 'B', Chennai.

3.The Commissioner of Income Tax(Appeals)-XI,
121, Mahatma Gandhi Salai, Chennai-34

4.The Joint Commissioner of
Income Tax, Special Range VIII,
121, M.G.Salai,
Chennai-34.

NRL(CO)
CB(12/10/2020)