IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATE: 22.02.2021

CORAM:

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

T.C.A.Nos.1375 to 1381 of 2010

Commissioner of Income Tax,
Chennai. ... Appellant in all 7 TCAs

Vs.

M/s.Indian Additives Limited,
Express Highway,
Manali, Chennai. ... Respondent in all 7 TCAs

Appeals preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras, "A" Bench, dated 13.11.2009 in I.TA.Nos.2138/Mds/2008, 700 to 702, 971 to 973/Mds/2009, Assessment Year 1999-00, 2000-01, 2001-02, 2002-03, 2000-01, 2001-02 & 2002-03 against the order passed by the Commissioner of Income Tax (Appeals)III in I.T.A. No. 884/06-07/A-III dated 26.08.2008, I.T.A. No. 453/07-08/A-III dated 25.02.2009, I.T.A. No. 454/07-08/A-III dated 25.02.2009, and I.T.A. No. 455/07-08/A-III dated 25.02.2009 as against the proceedings of the Assistant Commissioner of Income Tax, Company Circle II(3), Chennai 34 in G.I.No./P.A. No. 2002-1/AAAC11445G, 10.12.2007, 10.12.2007, 22.11.2007 and 11.12.2006 for the assessment year 2002-2003, 2001-2002, 2000-2001 and 1999-2000 respectively.

For Appellant : Mr.Karthick Ranganathan,
(in all 7 TCAs) Senior Standing Counsel

For Respondent : Ms.Sriniranjani Srinivasan
(in all 7 TCAs)

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

We have heard Mr.Karthick Ranganathan, learned Senior Standing Counsel for the appellant/Revenue and Ms.Sriniranjani Srinivasan, learned counsel for the respondent/assessee.

2.The appeals, filed by the Revenue under Section 260A of the Income Tax Act, 1961 (for short, the Act) are directed against the order dated 13.11.2009 made in I.TA.Nos.2138/Mds/2008, 700 to 702, 971 to 973/Mds/2009 on the file of the Income Tax Appellate Tribunal, Chennai, "A" Bench (for brevity, the Tribunal) for the Assessment Year 1999-00, 2000-01, 2001-02, 2002-03, 2000-01, 2001-02 & 2002-03.

3.The appeals were admitted on 22.03.2011 on the following substantial question of law:

> "Whether on the facts and circumstances of the case, the Income Tax Appellate Tribunal was right in that the "running royalty" paid by the assessee to the foreign company is allowable as revenue expenditure?"

4.The learned Senior Standing Counsel for the appellant submits that the above appeals are 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 these cases are less than the threshold limit.

5.In the light of the said submissions, the above Tax Case Appeals are dismissed as withdrawn on account of the Low Tax Effect. The substantial question of law framed is left open. In the event the tax effect in this case 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 appeals to be heard and decided on merits. No costs.

s/d-
Assistant Registrar

True Copy

Sub-Assistant Registrar

To
1.The Registrar
The Income Tax Appellate Tribunal, Chennai, "A" Bench

2.The Commissioner of Income Tax (Appeals)III, Chennai 34.

3.The Assistant Commissioner of Income Tax
Company Circle II93) Chennai 34

4.The Commissioner of Income Tax, Chennai

+1 CC to Mr.G. Baskar, Advocate sr 10555.

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PPA(CO)
SP(16/03/2021)