IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATE: 26.03.2021

CORAM:

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

T.C.A.No.1224 of 2015

Commissioner of Income Tax,
No.121, Mahatma Gandhi Road,
Chennai - 600 034. ... Appellant

v.

M/s. Leo Prime Company Pvt. Ltd.,
61 & 62, Lakshmanan Nagar,
Kandanchavadi,
Chennai - 600 096.
PAN : AAA CL 1901 E ... Respondent

Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras, "D" Bench, dated 01.04.2015 in ITA.No.1330/Mds/2014 for the Assessment Year 2009-2010 Preferred against the order of the Income Tax Appellete Tribunal madras “D” Bench chennai dated 01.04.2015 made in ITA.No.1330/mds/2014 for the Assessment Year 2009-2010 preferred against the order of the commissioner of Income Tax (Appeals)-II, Nungambakkam, Chennai-34 dated 18.12.2013 made in ITA.No.518/2013-2014 preferred against the order of the Assistant Commissioner of Income Tax, Company Circle-II(4), Nungambakkam, Chennai-34 dated 28.12.2011 made in PAN/GIR.No.AAACL1901E.

For Appellant : Mr. Karthik Ranganathan,
Senior Standing Counsel

For Respondent : Notice Served

JUDGMENT

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

We have heard Mr. Karthik Ranganathan, learned Senior Standing Counsel for the appellant/Revenue.

2.The appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 (for short, the Act) is directed against the order dated 01.04.2015 made in ITA.No.1330/Mds/2014 on the file of the Income Tax Appellate Tribunal, Chennai, "D" Bench (for brevity, the Tribunal) for the Assessment Year 2009-2010.

3.The appeal was admitted on the following substantial questions of law:

> " Whether on the facts and circumstances of the case, the appellate Tribunal was right in holding that the payment made by the assessee for the purpose of use of logo can only be considered as revenue in nature and no capital in character as per section 32(1)(ii) of the Income Tax Act, 1961?"

4. The learned Senior Standing Counsel appearing 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 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 appeal to be heard and decided on merits. No costs.

Sd/-

Assistant Registrar (CS-VII)

//True Copy//

Sub Assistant Registrar

Rj

To

1.The Income Tax Appellate Tribunal,
Chennai,"D" Bench

2.The Commissioner of Income Tax (Appeals)-II,
Nungambakkam, Chennai.

3.The Assistant Commissioner of Income Tax,
Company Circle-II (4), Nungambakkam,Chennai-34.

T.C.A.No.1224 of 2015

GSM(CO)
SB(07/10/2021)