IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 09.02.2022

CORAM :

THE HONOURABLE MR. JUSTICE R. MAHADEVAN
AND
THE HONOURABLE MR. JUSTICE J.SATHYA NARAYANA PRASAD

Tax Case Appeal No.893 of 2016

Principal Commissioner of Income Tax 2
No.121, Mahatma Gandhi Road,
Chennai 600 034.

... Appellant

Vs.

M/s. Indian Additives Ltd,
Express Highway,
Manali, Chennai - 600 068.
PAN: AAA CI 1445 G ... Respondent

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, "A" Bench, Chennai dated 14.06.2016 passed in I.T.A.No.835/Mds/2016 preferred against the order passed by the Commissioner of Income Tax (Appeals)-6, Chennai-34, dated 27.01.2016 made in ITA No.155/CIT(A)-6/2014-15 against the order passed by the Deputy Commissioner of Income Tax Company Circle II(3), Chennai, dated 29.04.2014 for the Assessment Year 2010-13 in PAN/GIK No.AAACI1445G.

For Appellant : Mr.Karthik Ranganathan
Senior Standing Counsel

For Respondent : Mr.G.Baskar

J U D G M E N T

(Judgment of the Court was delivered by R. MAHADEVAN, J.)

This Tax Case Appeal has been filed by the appellant / Revenue challenging the order dated 14.06.2016 passed by the Income Tax Appellate Tribunal, Bench 'A', Chennai in I.T.A.No.835/Mds/2016,relating to the assessment year 2010-11.

2. By order dated 23.01.2017, this court admitted the aforesaid tax case appeal on the following substantial questions of law:

> "1. Whether on the facts and in the circumstances of the case and in law, the Hon'ble ITAT was right in treating the royalty payments made to M/s.Chevron Oronite Company LLC USA as nothing but revenue expenditure not resulting in any acquisition of intangible assets when the assessee is enjoying enduring benefit by infusion of new technology?
>
> 2. Is not he finding of the Tribunal bad in law especially when the royalty falls under the definition of intangible assets as per the provisions of section 32(1)(ii) of the Act and the said expenditure is to be treated only as capital expenditure?"

3.When the matter was taken up for consideration, the learned counsel appearing for the respondent / assessee submitted that during the pendency of this tax case appeal, the assessee has availed the benefit conferred under the Direct Tax Vivad Se Vishwas Act, 2020 and filed necessary declarations, which were accepted and Form 5 / order for full and final settlement of tax arrears, was also issued by the Income tax department, on 07.05.2021. The learned counsel has also filed a memo dated 08.02.2022 to that effect.

4.The aforesaid submission made by the learned counsel for the respondent/assessee has also been fairly conceded by the learned senior standing counsel appearing for the appellant/ Revenue.

5.In view of the subsequent development, this court is of the opinion that nothing survives for adjudication in this appeal. Recording the submission so made by the learned counsel on either side, the Tax Case Appeal stands disposed of. No costs.

Sd/-

Deputy Registrar(CS)

//True Copy//

Sub Assistant Registrar

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To

1. The Income Tax Appellate Tribunal,
   Bench 'A', Chennai.

2. The Principal Commissioner of Income Tax 2,
   No.121, Mahatma Gandhi Road,
   Chennai 600 034.

3. The Deputy Commissioner of Income Tax,
   Corporate Circle 2 (2),
   Chennai 600 034.

4. The Deputy Commissioner of Income Tax,
   Company Circle II(3),
   Chennai.

5. The Comissioner of Income Tax (Appeals)-6,
   Nungambakkam,
   Chennai.

+1cc to M/s.G.Baskar, Advocate, S.R.No.8412

Tax Case Appeal No.893 of 2016

KSM(CO)
SU(18/02/2022)