IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 15.10.2024

CORAM :

THE HONOURABLE MR.JUSTICE R. SURESH KUMAR
AND
THE HONOURABLE MR.JUSTICE C. SARAVANAN

T.C.A.No.67 of 2022

The Commissioner of Income Tax
Circle -1, Tirupur. .. Appellant

Vs.

M/s.Eastman Exports Global Clothing Pvt. Ltd.
No.10, 12, 2nd Street
Kumar Nagar South, Tirupur 641 603
PAN: AACCC 0952 E .. Respondent

Prayer: Appeal filed under Section 260-A of the Income Tax Act, 1961, against the order of Income Tax Appellate Tribunal, Madras "D" Bench, Chennai dated 09.08.2021 passed in I.T.A.No.2227/CHNY/2018.

For the Appellant : Mr.Karthik Ranganathan
Senior Standing Counsel

For the Respondent : Ms.A.Sharren
for Mr.R.Sivaraman

JUDGMENT

(Order of the Court was made by R.SURESH KUMAR, J.)

The present tax case appeal was admitted on 21.02.2022 by this Court on the following substantial questions of law:-

"1. Whether the Income Tax Appellate Tribunal was justified in holding that expenditure on construction of building on leasehold land is revenue expenditure, whereas the said expenditure is of capital in nature?

2. Whether the Income Tax Appellate Tribunal was right in ignoring the fact that the enduring benefit, a settled concept had flown to the assessee and hence, the expense was capital in nature?

3. Whether the Income Tax Appellate Tribunal was right in holding that the construction of a building as revenue expense, when even renovation or extension to such building has been defined as a capital expense in Explanation 1 to Section 32(1) of the Income Tax Act?"

2. It is submitted by the learned Senior Standing Counsel appearing for the appellant Revenue that this matter is covered under the Low Tax Effect as per the recent Circular dated 17.09.2024, in Circular No.9/2024.

3. Hence, this appeal stands dismissed, as covered under the low tax effect and the substantial questions of law arising in this appeal are kept open to be decided at the later point of time. There shall be no order as to costs.

(R.S.K., J.) (C.S.N, J)
15.10.2024

Neutral Citation:Yes/No

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R. SURESH KUMAR, J.
AND
C. SARAVANAN, J.

(drm)

T.C.A.No.67 of 2022

15.10.2024