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.762 of 2017

Principal Commissioner of Income Tax 1
No.63, Race Course Road
Coimbatore 641 018 .. Appellant

Vs.

M/s. CRI Pumps Pvt. Ltd.
7/46-1, Keeranatham Road
Sravanamatti, Coimbatore – 641 035
PAN: AAA CC 9497 N .. 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 dated 04.05.2017 passed in I.T.A.No.67/Mds/2017.

For the Appellant : Mr.Karthik Ranganathan
Senior Standing Counsel

For the Respondent : Mr.A.S.Sriraman

JUDGMENT

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

The present tax case appeal was admitted on 07.06.2019 by this Court on the following substantial questions of law:-

"1. Whether the ITAT was right in upholding the decision of the CIT(A), ignoring the fact that, the quantum of royalty paid to the holding company was excessive and unreasonable resulting in accrual of undue benefit to the assessee company, satisfying the essential condition for disallowance u/s 40A(2)(b) of the Income Tax Act, 1961?

2. Whether on the facts and circumstances of the case , the ITAT was right in following the judicial precedence in the assessee's own case, in which reliance was placed on a decision of the Delhi High Court in a case having no relevance to the issue of the assessee's case under adjudication?

3. Whether on the facts and circumstances of the case, the ITAT is right in ignoring the fact that mens rea is apparent in this case?"

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)

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