IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: **10-02-2025**

CORAM

THE HONOURABLE MR JUSTICE S. S. SUNDAR

AND

THE HONOURABLE MR JUSTICE C. SARAVANAN

TCA NOS. 95 TO 97 of 2009

Commissioner Of Income Tax
Chennai.

Appellant(s)

Vs

M/s.KEC International Ltd.
Formerly M/s.RPG Transmission Ltd.
DLF Infinity Towers, Tower 'B' DLF City
Phase II, Gurgaon 122002, Haryana

Respondent(s)

For Appellant(s):
Mr.T.Ravi Kumar, Sr. Standing Counsel
For Respondent(s):
Mr.R.Venkatanarayanan

COMMON JUDGMENT

S.S.SUNDAR, J.
AND
C.SARAVANAN, J.

The learned counsel appearing for the appellant as well the counsel for the respondent produced before this Court the order passed by this Court earlier in T.C.(A) Nos.310 to 312 and 1388 to 1390 of 2007 vide order dated 09.07.2013. The Substantial Questions of Law that were framed earlier by the Bench between the same parties are as fo

i) Whether in the facts and circumstances of the case, the Tribunal was right in holding that the Licence Fee paid by the assessee to RPGE, Mumbai are nothing but allowable expenditure incurred wholly and exclusively for the purpose of business?

ii) Whether in the facts and circumstances of the case, the Tribunal was right in allowing the claim of interest on borrowed funds, utilized for investment in shares of CESC, as a business expenditure on the ground that investment is on the objectives of the assessee company?

2.The 2nd and 3rd Substantial Questions of Law framed earlier are identical to the Substantial Questions of Law that are raised in the present appeals.

3.It is not disputed that the Bench has answered both the issues as against the Revenue and therefore, on the similar factual circumstances, the Division Bench of this Court has answered the Substantial Questions of law against the revenue and in favour of the respondent / assessee. Since the Substantial Questions of Law have already been answered in favour of the respondent / assessee by the previous Bench of this Court (2014) 48 taxmann.com 57 (Madras) (2013) 359 ITR 673 (Madras) dated 09.07.2013, the Substantial Questions of Law raised in these appeals are also answered in favour of the assessee and against the appellant.

4.These appeals stand dismissed accordingly. No costs.

(S.S.SUNDAR J.) (C.SARAVANAN J.)
10-02-2025

kas

Index : Yes / No

To

M/s.KEC International Ltd.
Formerly M/s.RPG Transmission Ltd.
DLF Infinity Towers, Tower 'B' DLF City
Phase II, Gurgaon 122002, Haryana

S.S.SUNDAR, J.
AND

C.SARAVAN

TCA NOS. 95 to 97 of 2009

10.02.2025