IN THE HIGH COURT OF JUDICATURE AT MADRAS

Judgment Reserved on: 17.04.2026

Judgment Delivered on: 02.06.2026

Coram:

THE HONOURABLE Dr.JUSTICE G.JAYACHANDRAN
and
THE HONOURABLE MR.JUSTICE R.SAKTHIVEL

T.C.A.Nos.1299 to 1301 of 2010

T.C.A.No.1299 of 2010

M/s.Vedanta Limited,
(Successor in Interest to Cairn India Limited),
ASF Center, Tower B, 362-363,
Jwala Mill Road, Phase IV, Udyog Vihar,
Gurugram, Haryana-122 016. … Appellant

Cause title amended vide court order dated 13.03.2026 made in CMP.No.1071/2025 in TCA.No.1299/2010 (GJJ and SSAJ)

vs.

The Assistant Director of Income Tax,
(International Taxation),
121, Nungambakkam High Road,
Chennai - 600 034. … Respondent

Prayer: Tax Case (Appeal) filed under Section 260-A of the Income Tax Act, 1961, pleased to set aside the order of the Income Tax Appellate Tribunal, Chennai 'A' Bench made in ITA.No.863/Mds/2006 for the Assessment Year 1999-2000 dated 04.06.2010 and allow the Tax Appeal.

T.C.A.No.1300 of 2010

M/s.Vedanta Limited,
(Successor in Interest to Cairn India Limited)
ASF Center, Tower B, 362-363,
Jwala Mill Road, Phase IV, Udyog Vihar,
Gurugram, Haryana-122 016. … Appellant

Cause title amended vide court order dated 13.03.2026 made in CMP.No.1004/2025 in TCA.No.1300/2010 (GJJ and SSAJ)

vs.

The Assistant Director of Income Tax,
(International Taxation),
121, Nungambakkam High Road,
Chennai - 600 034. … Respondent

Prayer: Tax Case (Appeal) filed under Section 260-A of the Income Tax Act, 1961, pleased to set aside the order of the Income Tax Appellate Tribunal, Chennai 'A' Bench made in ITA.No.864/Mds/2006 for the Assessment Year 2001-2002 dated 04.06.2010 and allow the Tax Appeal.

T.C.A.No.1301 of 2010

M/s.Vedanta Limited,
(Successor in Interest to Cairn India Limited)
ASF Center, Tower B, 362-363,
Jwala Mill Road, Phase IV, Udyog Vihar,
Gurugram, Haryana-122 016. … Appellant

Cause title amended vide court order dated 13.03.2026 made in CMP.No.990/2025 in TCA.No.1301/2010 (GJJ and SSAJ)

vs.

The Assistant Director of Income Tax,
(International Taxation),
121, Nungambakkam High Road,
Chennai - 600 034. … Respondent

Prayer: Tax Case (Appeal) filed under Section 260-A of the Income Tax Act, 1961, pleased to set aside the order of the Income Tax Appellate Tribunal, Chennai 'A' Bench made in ITA.No.1181/Mds/2006 for the Assessment Year 2000-2001 dated 04.06.2010 and allow the Tax Appeal.

T.C.A.Nos.1299 to 1301 of 2010

For Appellant : Mr.Srinath Sridevan, Senior Counsel
for M/s.M.V.Swaroop, Gayathri,
B.Devadharshini, Hredai,
Thivakkaran Rajagopalan, Sankar

For Respondent : Mr.B.Ramana Kumar,
Senior Standing Counsel for Income Tax
and Mr.Avinash Krishnan Ravi,
Junior Standing Counsel.

COMMON JUDGMENT

Dr.G.JAYACHANDRAN, J

The Income Tax Appellate Tribunal (ITAT) partly allowed the appeals filed by the Revenue through common order dated 04/06/2010. Being aggrieved, the assessee is before us in this batch of appeals.

2. T.C.A.No.1299 of 2010 filed under Section 260-A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, "A" Bench, Chennai, dated 04.06.2010 in I.T.A.No.863/Mds/2006 for Assessment Year 1999-2000. T.C.A.No.1300 of 2010 filed under Section 260-A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal "A" Bench, Chennai, dated 04.06.2010 in I.T.A.No.864/Mds/2006 for AY 2001-2002. T.C.A.No.1301 of 2010 filed under Section 260-A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal "A" Bench, Chennai, dated 04.06.2010 in I.T.A.No.1181/Mds/2004 for AY 2000-2001.

3. Brief Facts leading to the appeals:

3.1 The company "Cairn Energy India Pty. Limited (CEIL)" is a non-resident Company incorporated in New South Wales, Australia and engaged in prospecting and production of mineral oil and in some cases, gas also, in India through its Project Office is located at Chennai. The said Company is wholly owned subsidiary of Cairn Energy Asia Limited (CEAL), which is a company incorporated and registered in Australia.

3.2 The Assessing Officer held that under the Production Sharing Contract, there is no express provision to allow the provisions for site restoration cost as admissible deduction under Section 42 of the Income Tax Act, 1961 (for short, 'the Act'), and the expenses incurred before or after the commercial production in respect of drilling or exploration activities alone, are eligible for deduction. After insertion of Section 33-ABA of the Act, with effect from 01.04.1999, the special benefit is not in addition to the normal business deduction available under Section 37(1) of the Act.

3.3 Though the assessee is under obligation to restore the site to its original position, as per the terms of the production sharing contract, the accounting procedure as agreed by the parties, shall not be prejudicial to the computation of income tax under applicable provisions of the Act. Therefore, the Assessing Officer held that, since the assessee has not incurred any expenditure towards site restoration

during the period under assessment, the same is un-ascertainable, which can be ascertained only when commercial production from the Well is over. Therefore, the assessing officer disallowed the claim of provisional expenditure for site restoration under Section 37(1) of the Act. The expenses are adjusted while computing the book profit under Explanation to Section 115-A of the Act.

3.4 The assessee-Company being aggrieved, preferred appeal before the Commissioner of Income Tax (Appeals), who, following the order passed by his predecessor for the previous assessment years – 1996-97 to 1998-99, held that the assessee-Company is eligible to claim deduction in respect of the expenditure incurred for site restoration under Section 37 of the Act and also while computing the book profits under Section 115 of the Act, allowed the appeal of the assessee. Assailing the order of the appellate authority, the Revenue has filed appeal before the Tribunal, in which, the Tribunal partly allowed the Revenue's appeals with certain observations, and the relevant portion of which is extracted hereunder:

> "11. It is thus held that, since in the appeals filed by the revenue for A.Y. 96-97 to 98-99, there was no issue regarding provision for site restoration cost, while making adjustment u/s 115JA of the Act, the said order cannot be made a precedent for deciding the issue under consideration.
>
> 12. Even other-wise, to what we have held above, we find that, section 115JA of the Act starts with a non-obstante

clause and, reads as "notwithstanding anything in any other provisions of this Act". In other words, it overrides all other provisions of the Act and, therefore any adjudication in terms of section 37(1) of the Act cannot be applied to decide the claim regarding section 115-JA of the Act. It is thus held that, section 115JA of the Act is a separate Code by itself and overrides all other provisions contained in the Act. Thus, expenditure though may not be strictly allowable under section 37(1) of the Act yet be a liability which is ascertained liability and, does not warrant any adjustment under section 115-JA of the Act.

13. … …

14.The undisputed facts as emerging from the material on record are, the assessee company in each of the assessment years was engaged in carrying out petroleum operations in Ravva oil filed under the PSC with joint venture partners namely M/s.Videocon Petroleum Ltd., Ravva oil (Singapore) Pvt. Ltd., ONGC and Govt. of India. Article 1.65 of PSC defines the expression "petroleum operations" as under:

> *"Petroleum operations" means, as the context may require, exploration operations, development operations or production operations or any combination of two or more of such operations, including construction, operation and, maintenance of all necessary facilities, plugging and, abandonment of wells, environmental protection, transportation, storage, sale or disposition of petroleum to the delivery point, site restoration and all other incidental operations or activities, as may be necessary."*

15. From the aforesaid definition, it is seen that, petroleum operations include construction, operation and maintenance of all necessary facilities, plugging and abandonment of wells, environmental protection, transportation, storage, sale or disposition of petroleum to the delivery point, site restoration and all other incidental operations or activities as may be necessary. In other words, under Article 1.65 of PSC, site restoration is part and parcel of petroleum operations namely exploration, development or production operations. It is not in dispute that provision for site restoration cost has been debited in the Profit & Loss Account prepared by the assessee company in accordance with part II and III of Schedule of the Companies Act, 1956 and, certified by statutory auditors. It is also not in dispute that such Profit & Loss Account has not been found to be rejected by Registrar of companies. In such circumstances, in terms of the judgment of the Apex Court in the case of Appollo Tyre v CIT reported in 255 ITR 273, there is no justification to warrant any adjustment under section 115-JA of the Act unless it is covered by adjustments provided in Explanation to section 115-JA. In coming to the above conclusion, we derive support from the judgment of Hon'ble jurisdictional High Court in the case of CIT v Kovai Maruthi paper and Board (P) Ltd reported in 294 ITR 57, wherein following the judgment of Apollo Tyres (supra), it has been held as under:

> "We have heard Mr.N.Muralikumaran, learned senior standing counsel appearing for the Revenue. The issue raised in this appeal is not res integra as it has been clearly covered by the decision of the apex court in the case of Apollo Tyres Ltd. v. CIR (2002) **255 ITR 273.** In that

case, the apex court in fact considered the question as to whether the Assessing Officer while assessing a company for income tax under section 115-J of the Act could question the correctness of the profit and loss account prepared by the assessee-company and certified by the statutory auditors of the company, as having been prepared in accordance with the requirements of Parts II and III of Schedule VI to the Companies Act. The apex court considered that once the profit and loss account prepared by the assessee-company is certified by the statutory auditors of the company as having been prepared in accordance with the requirement of the principles of the Companies Act, **then there is no scope for the Assessing Officer while computing the income under section 115-J to find out as to whether the said profit and loss account was in fact prepared and properly maintained in accordance with the Companies Act or not.** In fact, we may quote the following paragraph in the said apex court judgment:

"Therefore, we are of the opinion, the Assessing Officer while computing the income under section 115-J has only the power of examining whether the books of account are certified by the authorities under the Companies Act as having been properly maintained in accordance with the Companies Act. The Assessing Officer thereafter has the limited power of making increases and reductions as provided for in the Explanation to the said section. To put it differently, the Assessing Officer does not have the jurisdiction to go behind the net profit shown

in the profit and loss account except to the extent provided in the Explanation to section 115-J".

From a perusal of the above, it can be inferred that once the profit and loss account prepared by the assessee is certified by the authorities under the Companies Act, as having been properly maintained in accordance with the Companies Act the Assessing Officer has only the limited power of making increases and reductions as provided for in the Explanation to the said section, and he does not have the jurisdiction to go behind the net profit shown in the profit and loss account except to the extent provided in the Explanation to section 115-J.

.....

19. It is thus held that, provision for site restoration arose as a result of the PSC with the Government of India and, is an ascertained liability and, therefore clause (c) of Explanation to section 115-JA is inapplicable to the facts of the assessee company. The contention of the revenue that, site restoration is part of petroleum operations and, not exploration is evidently misplaced as petroleum operations include exploration activities. In fact, the Apex Court in the case of CIT v Enron Oil and Gas Co. Ltd reported in 305 ITR 75 has held that, any expenditure incurred by the assessee, whether capital or revenue, so long the same is in accordance with the PSC, the same is eligible for deduction. Further, Rajasthan High Court in the case of Udaipur Mineral Development Syndicate (P) Ltd. vs. DCIT & Anr. Reported in 261 ITR 706, wherein it has been held as under:

"as far as possible the lessee shall restore the surface land so used to its original

condition, the moment the assessee digs pits, he is bound under the agreement to fill those pits and the liability does accrue on the date when the pits are dug. Therefore, in our view, the Tribunal has committed an error in disallowing the claim of the assessee in the year in hand, i.e. 1991-92. We agree with the view taken by the Commissioner of Income-tax (Appeals) that the moment the assessee digs the pits, the liability does arise and it is entitled for deduction of the expenses which it is supposed to incur for filling those pits, as the assessee is following the mercantile system of accounting. It can claim the expenses incur as soon as it digs the pits."

20. In the light of the above, it is held that the provision for site restoration is not an eligible deduction under section 37(1) of the Act but the same will be considered while computing income under section 115-JA of the Act."

4. Being aggrieved by the above order of the Tribunal, upholding the dis-allowance of the provisions of site restoration cost, as it is not an allowable deduction under the normal provisions of the Act, the assessee-company is before this Court.

5. The respective Tax Case Appeals were admitted on the following substantial questions of law:

T.C.A.No.1299 of 2010 was admitted by this Court on 20.12.2010 on the following substantial question of law:

Whether on the facts and circumstances of the case, the Income Tax Appellate Tribunal was justified in law in holding that the amount of Rs.27,898,804/- debited in the profit and loss amount towards provision for site restoration cost was not an allowable deduction under the normal provisions of the Act ?

T.C.A.No.1300 of 2010 was admitted by this Court on 20.12.2010 on the following substantial question of law:

Whether on the facts and circumstances of the case, the Income Tax Appellate Tribunal was justified in law in holding that the amount of Rs.5,59,96,863/- debited in the profit and loss amount towards provision for site restoration cost was not an allowable deduction under the normal provisions of the Act ?

T.C.A.No.1301 of 2010 was admitted by this Court on 20.12.2010 on the following substantial question of law:

Whether on the facts and circumstances of the case, the Income Tax Appellate Tribunal was justified in law in holding that the amount of Rs.4,49,82,635/- debited in the profit and loss amount towards provision for site restoration cost was not an allowable deduction under the normal provisions of the Act ?

6. In respect of the Tribunal's finding that the site restoration expenditure is an ascertained liability, and therefore, Clause (c) of Explanation to Section 115-JA of the Income Tax Act, is inapplicable to the facts of the assessee-company. It is under challenge by the Revenue in T.C.A.Nos.1483 to 1485 of 2010. The substantial questions of law framed in those appeals are dealt separately by us.

7. The learned Senior Counsel appearing for the Appellant-Assessee-Company submitted that the site restoration expenditure is part and parcel of the exploration, development and production of operations and thus, it is eligible expenditure under the Production sharing contract and liable for assessment according to the accounting guidelines and statutory provisions of law. If the said expenditure is dis-allowed, it will result in gross mis-match of the expenditure. The allowance under Section 115 of the Act, is an additional incentive, besides normal deduction under Section 37(1) of the Act. The introduction of Section 33-ABA of the Act, has not been taken away by the existing right to claim deduction under the normal provision.

8. ITAT having held that the site restoration expenditure towards site restoration is an ascertainable liability, contrary to the settled principles of law, the Tribunal dis-allowed the claim of the assessee in respect of the provisions made for site restoration. Section 33-ABA of the Income Tax Act, is not a bar to claim

deduction under Section 37 of the Act. The marginal note to the provisions of Section 33-ABA of the Act, is site restoration fund. Circular No.772, dated 23.12.1998 explains that the provisions of Section 33-ABA was inserted as an incentive and the provision for site restoration fund is optimal, whereas, the expenditure for site restoration being part of the contractual obligation, forms part of the cost of operation, and therefore, the profits and gains of a business can be computed under Section 28(i) of the Act, only after giving due deduction towards the cost of production, which includes site restoration expenditure also.

9. The contention of the assessee is that Section 33-ABA is introduced as a tax incentive to the petroleum and natural gas sector, and it is akin to the other incentive provisions in Sections 80-HH, 80-HHA, 80-HHB, 80-HHBA, 80-HHC and 80-IAC of the Income Tax Act. Such incentive is always in addition to the allowance/deduction as per the statute and contractual obligations.

10. In support of his submissions, learned Senior Counsel appearing for the appellant/assessee/company, relied on the judgment in the case of ***Commissioner of Income Tax Vs. High Land Produce Co. Ltd., reported in 1976 (102) ITR 803*** (Kerala High Court) for the proposition that the deductions are permissible even though the liability in question may be only a contingent. It was further observed by the Kerala High Court that Section 37(1) of the Income Tax Act only is residuary in

nature and introduction of the words "not being expenditure of the nature described in Sections 30 to 36.We have to remember that those words do not preclude certain species of liability, but only exclude consideration of liabilities, which would fall under any of those Sections.

11. The other judgment relied on by the learned Senior Counsel for the appellant, is the case of ***Bharat Earth Mover Vs. Commissioner of Income-Tax, reported in 2000 (112) Taxman 61 (SC)***, in which, it was held as follows:

> *"4. The law is settled: if a business liability has definitely arisen in the accounting year, the deduction should be allowed although the liability may have to be quantified and discharged at a future date. What should be certain is the incurring of the liability. It should also be capable of being estimated with reasonable certainty though the actual quantification may not be possible. If these requirements are satisfied, the liability is not a contingent one. The liability is in praesenti though it will be discharged at a future date. It does not make any difference if the future date on which the liability shall have to be discharged is not certain.*
>
> *5. In Metal Box Co. of India Ltd. Vs. Their Workmen (1969) 73 ITR 53 (SC), the appellate-Company estimated its liability under two gratuity schemes framed by the company and the amount of liability was deducted from the gross receipts in the profit and loss account. The company had worked out on an actuarial valuation its estimated liability and made provision*

for such liability not all at once but spread over a number of years. The practice followed by the company was that every year the company worked out the additional liability incurred by it on the employees putting in every additional year of service. The gratuity was payable on the termination of an employee's service either due to retirement, death or termination of service – the exact time of occurrence of the latter two events being not determinable with exactitude before hand. A few principles were laid down by this Court, the relevant of which for our purpose are extracted and reproduced as under:

(i) For an assessee maintaining his accounts on mercantile system, a liability already accrued, though to be discharged at a future date, would be a proper deduction while working out the profits and gains of his business, regard being had to be the accepted principles of commercial practice and accountancy. It is not as if such deduction is permissible only in case of amounts actually expended or paid;

(ii)Just as receipts, though not actual receipts but accrued due are brought in for the income-tax assessment, so also liabilities accrued due would be taken into account while working out the profits and gains of the business;

(iii)A condition subsequent, the fulfilment of which may result in the reduction or even extinction of the liability, would not have the effect of converting that liability into a contingent liability; and

(iv)A trader computing his taxable profits for a particular year may properly deduct not only the payments actually made to his employees but also the present value of any payments in respect of their services in that year to be made in a subsequent year if it can be satisfactorily estimated.

6. So is the view taken in Calcutta Co. Ltd. Vs. CIT (1959) 37 ITR 1, wherein this Court has held that the liability on the assessee having been imported, the liability would be an

accrued liability and would not convert into a conditional one merely because the liability was to be discharged at a future date. There may be some difficulty in the estimation thereof but that would not convert the accrued liability into a conditional one; it was always open to the tax authorities concerned to arrive at a proper estimate of the liability having regard to all the circumstances of the case....."

12. Heard the arguments on behalf of the assessee assailing the ITAT Order disallowing site restoration expenses and the arguments of the Department made in support of the ITAT Order.

13. It is pertinent to note that the Income Tax Act deals with business for prospects, etc., for the mineral oil as a ***"sui generis"*** class and special provisions have been provided for assessment of Tax liability. Especially, the Income Tax Act deals with the deductions and procedures for computing profit or gain of any business consisting of the prospects for or for extraction or production of mineral oil, in relation to which the Central Government has entered into agreement with any person for association of participation of the Central Government. Section 42(1) of the Act reads as below. Section 42(1) of the Act commences as "For the purpose of computing the profits or gains of any business…..".

Chapter IV-D (Sections 28 to 44DB) deals with profits and gains of Business and profession. Under the caption "Special provision for deductions in the case of business for prospecting, etc., for mineral oil" under which, the Section 42 (1) reads as below:-

Section 42(1): For the purpose of computing the profits or gains of any business consisting of the prospecting for or extraction or production of mineral oils in relation to which the Central Government has entered into an agreement with any person for the association or participation of the Central Government (substituted for 'in such business of the Central Government" by Finance Act, 1981, with effect from 01.04.1981) or any person authorised by it in such business which agreement has been laid on the Table of each House of Parliament, there shall be made in lieu of, or in addition to, the allowances admissible under this Act, such allowances as are specified in the agreement in relation -

(a) to expenditure by way of infructuous or abortive exploration expenses in respect of any area surrendered prior to the beginning of commercial production by the assessee;

(b) after the beginning of commercial production, to expenditure incurred by the asssessee, whether before or after such commercial production, in respect of drilling or exploration activities or services or in respect of physical assets used in that connection, except assets on which allowance for depreciation is admissible under section 32:

.....(word "and" omitted – substituted for "in such business of the Central Government" by the Finance Act, 1981, with effect

from 01.04.1981)

Provided *that in relation to any agreement entered into after the 31st day of March, 1981, this clause shall have effect subject to the modification that the words and figures "except assets on which allowance for depreciation is admissible under section 32" had been omitted; and*

(c) to the depletion of mineral oil in the mining area in respect of the assessment year relevant to the previous year in which commercial production is begun and for such succeeding year or years as may be specified in the agreement; and such allowances shall be computed and made in the manner specified in the agreement, the other provisions of this Act being deemed for this purpose to have been modified to the extent necessary to give effect to the terms of the agreement."

14. The contractual obligation as to restoration of site is pursuant to the PSC (production sharing contract) entered into with the Government of India. Article 13.9 reads as follows:

Article 13.9 of the CB-OS/2 PSC:

Obligation on account of Site Restoration:

On expiry or termination of this Contract or relinquishment of part of the Contract Area, the Contractor shall:

(a) subject to Article 27, and to the extent the Contractor retain full title, ownership and/or possession, remove all its equipment and installations in its possession from

the relinquished area or former Contract Area in a manner agreed with the Government pursuant to an abandonment plan, and perform all necessary Site Restoration in accordance with good international petroleum industry practice and take all other action necessary to prevent hazards to human life or to property of others or the environment.

Article 1.77 of the PSC:

Definition of 'Site Restoration':

"Site Restoration" shall mean all activities required to return a site to its natural state or to render a site compatible with its intended after-use (to the extent reasonable having regard to its former use, if any, and state) after cessation of Petroleum Operations in relation thereto and shall include, where appropriate, proper abandonment of Wells or other facilities, removal of equipment, structures and debris, establishment of compatible contours and drainage, replacement of top soil, revegetation, slope stabilisation, infilling of excavations or any other appropriate actions in the circumstances."

15. The Production Sharing Contract (PSC) between the consortium of private parties with the Government of India and ONGC under Articles 13.9 and 1.77 (extracted above) casts an obligation on the assessee to restore the site after exploration of the site is abandoned or the Well, closed after exploitation.

16. In respect of the assessee who is carrying on business consisting of prospects, for or extraction or provision of petroleum or natural gas or both in India and in relation to it, the Central Government has entered into an agreement with such assessee for such business. The said contract is prior to the introduction of Section 42, wherein the assessee had agreed to restore the site as per the terms of the contract. The introduction of Section 42 has no bearing, insofar as the deduction is claimed under the residuary clause/residuary provisions of Section 37(1) of the Act.

17. Introduction of Section 32 of the Act, which is in respect of creation of fund, is no substitute to Section 37(1) of the Act, or it has any over-riding effect. Any deduction eligible under Section 37(1) of the Act, will not become ineligible, merely because of Section 33-ABA of the Income Tax Act. For invoking Section 33-ABA of the Act, the assessee has to comply with certain mandatory pre-conditions. Primarily, he has to make deposit towards the fund. The said Section is in the nature of scheme to ensure restoration of the site after exploration.

18. In the case on hand, the assessee-Company, in compliance of the contractual obligations, had made provision for site restoration and having held that the said provision, is ascertainable and quantifiable, the dis-allowance of the claim for the reasons stated by the ITAT in the order impugned, is unsustainable.

19. While Section 33-ABA of the Act is incentive in nature and pre-deposit is required to claim the benefits of the incentive, it is optional to the assessee to claim the said incentive. Whereas, the "site restoration" is a mandatory requirement under the contract and for such expenditure, the assessee is eligible to claim deduction under Section 37(1) of the Act, it being the residuary clause, besides explicit deductions provided under the Act.

20. For the above reasons, we are of the view that the impugned order of the Income Tax Appellate Tribunal, upholding the Assessment Order of dis-allowance claimed by the assessee in respect of the site restoration, has to be set aside. Accordingly, the same is set aside.

21. The substantial question of law is answered as below:

> "The dis-allowance of deduction under the normal provisions of the Income Tax Act in respect of the amount provided towards the site restoration costs and debited in the profit and loss account, is legally permissible."

22. In the result, T.C.A.Nos.1299 to 1301 of 2010, filed by the assessee-Company, are allowed. There shall be no order as to costs.

(Dr. G.J., J) (R.S.V., J)

02.06.2026

Index : Yes.
Speaking Order : Yes/no.
Neutral Case Citation : Yes/no.
cs

To
1. The Assistant Director of Income Tax,
(International Taxation),
121, Nungambakkam High Road,
Chennai-600 034.

2. Director of Income Tax (International Taxation),
Chennai.

3. The Commissioner of Income Tax, Chennai.

Dr.G.JAYACHANDRAN, J

and

R.SAKTHIVEL, J

cs/bsm

Pre-delivery judgment
in T.C.A.Nos.1299 to 1301 of 2010

Judgment delivered
on 02.06.2026