<u>IN THE HIGH COURT OF JUDICATURE AT MADRAS</u>

Dated:15.02.2017

Coram:

The Hon'ble Mr.Justice HULUVADI G.RAMESH
<u>AND</u>
The Hon'ble Dr. Justice ANITA SUMANTH

<u>TAX CASE APPEAL Nos.16 & 17 of 2007</u>

The Commissioner of Income Tax-I,
Chennai. .. Appellant in both appeals

Versus

M/s.Sensortronics Sanmar Limited,
147, Karapakkam Village,
Chennai-600 096. .. Respondent in both appeals

Prayer in TCA.No.16 of 2007: Tax Case Appeal filed under Section 260-A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal Madras "B" Bench dated 19th May 2006 passed in I.T.A.No.1054/Mds/2002.

Prayer in TCA.No.17 of 2007: Tax Case Appeal filed under Section 260-A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal Madras "B" Bench dated 19th May 2006 passed in I.T.A.No.307/Mds/2002.

For Appellant .. Mr.J.Narayanasamy.

For Respondent .. Mr.R.Venkata Narayan
for M/s Subbaraya Aiyar

COMMON JUDGMENT

The Tax Case Appeals filed by the Revenue calling in question the correctness of the order passed by the Income Tax Appellate Tribunal, Madras "B" Bench dated 19th May 2006 passed in I.T.A.Nos.1054/Mds/2002 and 307/Mds/2002 have been admitted on 31.01.2007 for consideration of the following substantial questions of law:

> *"1.Whether in the facts and circumstances of the case, the Tribunal was right in holding that the Misc. amounts viz. Insurance claim, common cost credit, Reversal of Excess Provision should be treated as income derived out of business for computation of deduction u/s 80HHC, especially when these were not treated as part of the total turnover?*
>
> *2.Whether in the facts and circumstances of the case, the Tribunal was right in treating Service/Installation Charges, Insurance claim, common cost credit, and excess Provision reversal as income derived from the industrial undertaking eligible for deduction u/s.80 IA?*
>
> *3.Whether in the facts and circumstances of the case, the Tribunal's order in respect of computation of deduction u/s 80 IA by including Service/Installation charges, Insurance claim, common cost credit, and excess provision reversal is invalid on grounds of being cryptic and devoid of reasons?*

2. Circular instruction issued by the Central Board of Direct Taxes No.21/2015, dated 10.12.2015 stipulates that appeals shall not be filed/pursued by the Department before the High Court in cases where the tax effect does not exceed Rs.20 lakhs. In the instant cases, the tax effect is less than the monetary limit imposed and the appeals are hence, dismissed as not pressed, preserving the substantial questions of law for determination in an appropriate case. No costs.

(H.G.R.,J) (A.S.M.,J)
15.02.2017

Speaking order/Non-speaking order
Index:Yes/No
msr

HULUVADI G. RAMESH, J.
&
DR.ANITA SUMANTH, J.

msr

TAX CASE APPEAL No.16 &17 of 2007

15.02.2017