IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 30.11.2018

CORAM:

THE HONOURABLE MR. JUSTICE T.S.SIVAGNANAM
AND
THE HONOURABLE MR. JUSTICE N. SATISH KUMAR

Tax Case Appeal No.500 of 2018

The Commissioner of Income Tax,
Chennai ... Appellant

-vs-

M/s.Sensiple Software Solution Pvt. Ltd.,
C.o.S.Venkatram & Co.,
Chartered Accountants,
218, TTK Road, Alwarpet,
Chennai - 600 018. ... Respondent

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal Madras 'D' Bench, dated 07.10.2016 in ITA No.556/Mds/2015, for the Assessment year 2010-11.

For Appellant : Mrs.Usha Rani
for Mr.T.R.Senthil Kumar

For Respondent : No appearance

J U D G M E N T

[Judgment of the Court was delivered by T.S.Sivagnanam, J.]

This appeal by the appellant/Revenue is directed against the order passed by the Income Tax Appellate Tribunal, Madras 'D' Bench, dated 07.10.2016 in ITA No.556/Mds/2015, for the Assessment year 2010-11.

2. Heard Mrs.K.G.Usha Rani for Mr.T.R.Senthil Kumar, learned Standing Counsel for the appellant/Revenue.

3. This Appeal has been filed raising the following Substantial Question of Law:-

> "Whether on the facts and in the circumstances of the case the Tribunal was right in holding that the expenses relating to internet expenses and foreign travel expenses spend in foreign currency outside India, had to be excluded from export turnover as well as Total turnover while computing deduction u/s 10B?".

4. We have perused the order of Assessment as well as the Order passed by the Commissioner of Income Tax and we find that the tax effect in this appeal is lesser than the threshold limit mentioned in Circular No.3 of 2018, dated 11.07.2018, issued by the Central Board of Direct Taxes, which fixes the monetary limit as Rs.50,00,000/- for the Department to pursue the matter. Furthermore, the Revenue has not been able to point out any distinguishing features, by which the Circular No.3 of 2018, dated 11.07.2018, cannot be applied.

5.Thus, for the above reasons, the Revenue cannot pursue this Appeal in view of the low tax effect. Hence, the Appeal is dismissed and the Substantial Question of Law, framed for consideration, is left open. No costs. The Revenue is at liberty to seek for restoration of appeal, if at a later point of time, it is found that the tax effect is above the threshold limit.

Sd/-
Assistant Registrar(CS VI)

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Sub Assistant Registrar

To

1.The Income Tax Appellate Tribunal Madras 'D' Bench.

2.The Additional Commissioner of Income
Tax Corporation of Range-6,
Chennai-34.

3.The Deputy Commissioner of Income Tax Company Circle VI(2), Chennai-34.

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srg 31/12/2018