THE HON'BLE SRI JUSTICE C.V.NAGARJUNA REDDY

AND

THE HON'BLE SRI JUSTICE T.AMARNATH GOUD

I.T.T.A.No.172 of 2006

Date: 03.01.2018

Between:

The Commissioner of Income Tax-III,
Hyderabad. …. Appellant

And

M/s. Virchow Laboratories Ltd.,
Plot No.4, S.V.C.I. Estate, IDA,
Jeedimetla, Hyderabad-500055. … Respondent

Counsel for the Appellant : Mr.B.Narasimha Sarma
Senior Standing Counsel
for Income Tax

Counsel for the Respondent : Mr. A.V.Siva Kartikeya
for Mr.A.V.Krishna
Koundinya

The Court made the following:

Judgment : (Per the Hon'ble Sri Justice C.V.Nagarjuna Reddy)

This appeal by the revenue raises the following substantial question of law:

> "On the facts and in the circumstances of the case, whether, 'the other income' i.e. income from the interest, profit on sale of fixed assets and miscellaneous income are not liable to be included in the 'Total Turnover' while claiming deduction u/w. 80HHC and whether the finding of the Tribunal to exclude those items from the 'Total Turnover' while computing deduction u/s. 80HHC is sustainable in law?

2. During the hearing, this Court on perusal of the material on record, noticed that the tax effect of the subject matter is less than Rs.20 lakhs and that, therefore, the appeal is liable to be dismissed in view of Circular No.21/2015 dated 10.12.2015, issued by the Central Board of Direct Taxes.

3. Mr.B.Narasimha Sarma, learned Senior Standing Counsel for Income Tax Department, has not disputed this position.

4. In the light of the above, the appeal is dismissed only on the above mentioned ground.

(C.V.Nagarjuna Reddy, J)

(T.Amarnath Goud, J)

Date: 3rd January, 2018

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