In the High Court of Judicature at Madras

Dated : 27.08.2019

Coram :

The Honourable Mr.Justice T.S.SIVAGNANAM
and
The Honourable Mrs.Justice V.BHAVANI SUBBAROYAN

Tax Case Appeal Nos.770 and 771 of 2015

Commissioner of Income Tax,
Chennai. ...Appellant in both case

Vs

M/s.Macmillan India Limited,
(Now Known as M/s.MPS Limited)
No.21, Pattulos Road, Chennai - 600 002.
PAN: AAACM2423L ...Respondent in both case

APPEALS under Section 260A of the Income Tax Act, 1961 against the common order dated 31.01.2012 made in ITA.Nos.425 and 426/Mds/2011 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench for the assessment years 2005-06 and 2006-07, against the common Appellate order passed by the commissioner of Income Tax(A)V, Chennai, dated 29/11/2010 made in ITA Nos.373/209-10, 519/2008-09, and against the Assistant Commissioner of Income Tax company Circle IV(1), Chennai-34, dated 22/12/2009 & 31/12/2008 respectively, made in PAN/GIR No.AAACM2423L/MA-40.

For Appellant :Mr.Karthik Ranganathan, SSC assisted by
Mr.Rajesh, SC

For Respondent:Mr.R.Venkatanarayanan
for M/s.Subbaraya Aiyar Padmanabhan

COMMON JUDGMENT
(Judgment was delivered by T.S.Sivagnanam,J)

We have heard Mr.Karthik Ranganathan, learned Senior Standing Counsel assisted by Mr.S.Rajesh, learned Standing Counsel appearing for the appellant - Revenue and Mr.R.Venkatanarayan, learned counsel for M/s.Subbaraya Aiyar Padmanabhan, learned counsel appearing for the respondent - assessee.

2.These appeals, filed by the Revenue under Section 260A of the Income Tax Act, 1961, are directed against the common order dated 31.01.2012 made in ITA.Nos.425 and 426/Mds/2011 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench for the assessment years 2005-06 and 2006-07.

3.The appeals were admitted on 22.09.2015 on the following substantial questions of law :

> "i) Whether on the facts and in the circumstances of the case, the Tribunal was right in having confirmed the order passed by the CIT(A) which defeats the very purpose of having a formula for proportionate exemption for the purpose of deduction under Section 10B of the Income Tax Act?
>
> ii) Whether, on the facts and in the circumstances of the case, the Tribunal was right in following Special Bench case of SAK Soft Limited overlooking the fact that interpretation of the term "total turnover" as provided for Sections 80HHE & 80 HHF cannot be applied for the purpose of computing the deduction under Section 10B?"

4.The learned Senior Standing Counsel for the appellant submits that the above appeals are not pursued by the Revenue on account of the low tax effect in terms of Circular No.17/2019 dated 08.8.2019 issued by the Central Board of Direct Taxes. By the said Circular, the monetary limit for filing or pursuing an appeal before the High Court has been increased to Rs.1 Crore. It is further submitted that the tax effect in the respective cases is less than the threshold limit.

5. In the light of the said submissions, the above tax case appeals are dismissed on account of the low tax effect. The substantial questions of law framed are left open. In the event the tax effect in the respective cases is above the threshold limit fixed in the said circular, liberty is granted to the Revenue to make a mention to this Court to restore the appeals to be heard and decided on merits. No costs.

Sd/-
Assistant Registrar

//True Copy//
Sub Assistant Registrar

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To

1.The Income Tax Appellate Tribunal,
Chennai 'D' Bench, Chennai.

2.The Commissioner of Income Tax(A) V,
Chennai.

3.The Assistant Commissioner of Income Tax,
Company Circle IV(1), Chennai.

+1cc to M/s.Subbaraya Aiyar Padmanabhan, Advocate SR.73637

TCA.Nos.770 and 771 of 2015

EV(CO)
CB(04/11/2019)