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.776 to 780 of 2015

Commissioner of Income Tax II,
No.121, Nungambakkam High Road,
Chennai - 600 034. ...Appellant

Vs

M/s.E-Care India Pvt. Ltd.,
B.R. Complex, II Floor,
No.27-28, Woods Road, Chennai - 600 002.
PAN: AACCE5386R ...Respondent

APPEALS under Section 260A of the Income Tax Act, 1961 against the common order dated 09.01.2015 made in ITA.Nos.2650 to 2654/Mds/2014 on the file of the Income Tax Appellate Tribunal, Chennai 'A' Bench for the assessment years 2007-08 to 2011-12, against the order of the Commissioner of Income Tax (Appeals)-II, Chennai -34, made in ITA.Nos.645,1083,1285,1385 and 1811/2013-14, dated 19.05.2014, against the order of the Deputy Commissioner of Income Tax Company Circle-II(1), Chennai made in PAN/GIR.Nos.AABCE5386R, dated 07.12.2009, 31.12.2010, 30.09.2011, 22.03.2013 and 27.11.2013 for the Assessment years 2007-08 to 2011-12.

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

For Respondent : No appearance

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.

2.These appeals, filed by the Revenue under Section 260A of the Income Tax Act, 1961, are directed against the common order dated 09.01.2015 made in ITA.Nos.2650 to 2654/Mds/2014 on the file of the Income Tax Appellate Tribunal, Chennai 'A' Bench for the assessment years 2007-08 to 2011-12.

3.The appeals were admitted on 03.11.2015 on the following substantial questions of law :

> "1) Whether, on the facts and in the circumstances of the case, the Honourable Income Tax Appellate Tribunal is right in holding that the expenditure in foreign exchange is to be excluded from both export and total turnover while computing eligible deduction under Section 10B of the Act?
>
> 2) Whether the Appellate Tribunal was right in directing the assessing officer to take the total profit of the business without reducing the proportionate profit relating to domestic turnover while computing deduction under Section 10B of the Act?
>
> 3) Whether the Appellate Tribunal was right in holding that 60% of depreciation is allowable for UPS used in computer which is not a part and parcel of a computer?"

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

To

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

2.The Commissioner of Income Tax(Appeals),
Chennai -34.

3.The Deputy Commissioner of Income Tax
Company Circle-II(1), Chennai.

AKM/16.10.19/3P-4C /

TCA.Nos.776 to 780 of 2015