IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 22.08.2019

CORAM

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM
and
THE HONOURABLE MRS.JUSTICE V.BHAVANI SUBBAROYAN

Tax Case Appeal No.419 of 2013

The Commissioner of Income Tax,
Chennai. .. Appellant/Appellant

-vs-

M/s.iSoft R&D Pvt., Ltd.,
New No.19, Hafiz Court,
Kodambakkam High Road,
Chennai-600 034. .. Respondent/Respondent

Appeal under Section 260A of the Income-tax Act, 1961, against the order dated 31.07.2012, on the file of the Income-tax Appellate Tribunal 'D' Bench, Chennai, in I.T.A.No.330/Mds/2012 for the assessment year 2006-07.

Appeal filed against the order of the Commissioner of Income Tax (Appeals) IV, Chennai in I.T.A.No.435/2011-2012/A-IV dated 01.11.2011 for the Assessment year 2006-2007(in PAN No. AAAC17884D) and against the order of the Assistant Commissioner of Income Tax, Company Circle II(3) Chennai 34 dated 16.12.2009 in PAN/GIR No. AAAC17884D for the Assessment year 2006-2007.

For Appellant : Mr.S.Rajesh,
Standing Counsel

: For Mr.Karthik Ranganathan
Senior Standing Counsel

For Respondent : Mr.G.Baskar
: For Mr.N.Muthukumar

JUDGMENT
(Delivered by T.S.Sivagnanam, J.)

This appeal filed by the appellant/Revenue under Section 260A of the Income-tax Act, 1961, is directed against the order dated 31.07.2012, passed by the Income-tax Appellate Tribunal 'D' Bench, Chennai, in I.T.A.No.330/Mds/2012 for the assessment year 2006-07.

2.The appeal was admitted, on 26.08.2013, on the following substantial question of law:-

> "Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in holding that the travelling expenditure incurred in foreign currency is to be reduced from the total turnover also for the purpose of computation of deduction under Section 10A of the Act?"

3.Heard Mr.S.Rajesh, learned Standing Counsel for Mr.Karthik Ranganathan, learned Senior Standing Counsel for the appellant and Mr.G.Baskar, learned counsel for Mr.N.Muthukumar, learned counsel for the respondent.

4. The learned Senior Standing Counsel for the appellant submits that the above appeal is not pursued by the Revenue on account of the low tax effect in terms of Circular No.17/2019, dated 08.08.2019 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 this case is less than the threshold limit.

5. In the light of the said submissions, the above tax case appeal is dismissed on account of the low tax effect. The substantial question of law framed is left open. In the event the tax effect 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 appeal to be heard and decided on merits. No costs.

-s/d-
Assistant Registrar

True Copy

Sub-Assistant Registrar

abr

To

1.The Assistant Commissioner of Income-tax,
Circle II(3), Chennai-600 034.

2.The Commissioner of Income Tax (Appeals)-IV,
121, Mahatma Gandhi Road, Chennai-600 034.

3.The Income-tax Appellate Tribunal 'D' Bench, Chennai.

+1 CC to M/s. Sree Lakshmivalli, Advocate sr 72272

BP(CO)
SP(08/12/2020)