IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 28.08.2019

CORAM

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

Tax Case Appeal No.115 of 2018

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

-vs-

M/s.SQS India BFSI Ltd., (Formerly
Thinksoft Global Services Pvt. Ltd.,),
6A, Sixth Floor, Prince Infocity II,
No.283/3 & 283/4, Rajiv Gandhi Salai
(OMR), Kandanchavadi,
Chennai - 600 096.
PAN: AABCT 0976G .. Respondent/Respondent

Appeal under Section 260A of the Income-tax Act, 1961 against the order dated 30.09.2016 on the file of the Income-tax Appellate Tribunal 'A' Bench, Chennai, in I.T.A.No.998/MDS/2016 for the assessment year 2007-08 and against the order passed by the Commissioner of Income TAx Appeals-15 chennai-34 and made in ITA.No.286/CIT/A-15/14-15 dated 11.01.2016 and against the order passed by the Deputy Commissioner Income Tax, Company Circle-(III)(2) Chennai-34 and made in GIR/PAN AABC70976G dated 12/03/2014 for the Assessment year 2007-08.

For Appellant : Mr.T.R.Senthil Kumar
Senior Standing Counsel
: M/s.K.G.Usharani

For Respondent : Mr.R.Venkatanarayanan
for M/s.Subburaya Aiyar
Padmanbhan

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JUDGMENT

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

This appeal, filed by the appellant/revenue under Section 260A of the Income-tax Act, 1961 (hereinafter referred to as "the Act"), is directed against the order dated 30.09.2016 passed by the Income-tax Appellate Tribunal 'A' Bench, Chennai, in I.T.A.No.998/MDS/2016 for the assessment year 2007-08.

2.The above appeal was admitted on 27.03.2018 on the following substantial question of law:-

> "Whether on the facts and in the circumstances of the case, the Tribunal was right in holding that foreign exchange gain, expenses incurred towards connectivity charges and foreign currency expenses etc., were to be excluded from the export turnover as well as total turnover for the purpose of arriving at eligible profit under Section 10A of the Income Tax, 1961?"

3.It is not disputed by the revenue that the Substantial Question of law framed for consideration has been answered against the revenue by the Hon'ble Supreme Court in the case of Commissioner of Income tax, Central-III, HCL Technologies Ltd. [(2018) 93 taxmann.com 33 (SC)]. In the said decision it was held that Definition of 'total turnover' given under sections 80HHC and 80HHE cannot be adopted for purpose of section 10a as technical meaning of total turnover, which does not envisage reduction of any expenses from total amount is to be taken into consideration for computing deduction under Section 10A; when meaning is clear, there is no necessity of importing meaning of total turnover from other provisions.

4.Following the above said decision, the appeal filed by the revenue is dismissed and the substantial question of law is answered against the revenue. No costs.

Sd/-
Asst.Registrar (CS VII)

/true copy/

Sub Asst. Registrar

cse

To

1.The Income-tax Appellate Tribunal 'A' Bench,
Chennai.

2.The Commissioner of Income TAx
Chennai
3.The Commissioner of Income Tax
Appeals-15 Chennai-34

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

+1 cc to Mr.T.R.Senthil Kumar Advocate sr74196
+1 cc to Mr.Subbaraya Iyer Padmanabhan Advocate sr 74736

T.C.A.No.115 of 2018

pvs(co)
aa17/10/2019