IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 29.08.2019

CORAM

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

Tax Case Appeal No.258 of 2017

Principal Commissioner of Income Tax 2,
No.121, Mahatma Gandhi Road,
Chennai-600 034. .. Appellant/Appellant

-vs-

M/s.Financial Software Systems India Pvt Ltd.,
Sarada Apartments,
42, 3rd Main Road, Gandhi Nagar,
Adyar, Chennai-600 020.
PAN: AAA CF 2351 C .. Respondent/Respondent

Appeal under Section 260A of the Income-tax Act, 1961, against the order dated 30.09.2016, made in I.T.A.No.2037/Mds/2016 on the file of the Income Tax Appellate Tribunal 'A' Bench, Chennai for the assessment year 2006-07. Against the order of the Commissioner of Income Tax(Appeals)-6, dated 29/4/16 and made in ITA 136/CIT(A)-6/2008-09 and against the order of the Deputy Commissioner of Income Tax, Company Circle-II(1) Chennai, and made in PAN/GIR No.AAACF2351c for the Assessment year 2006-2007.

For Appellant :Mr.Karthik Ranganathan,
Senior Standing Counsel

:assisted by Mr.S.Rajesh,
Standing Counsel

For Respondent :Mr.N.V.Balaji

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

This appeal filed by the Revenue under Section 260A of the Income-tax Act, 1961 is directed against the order dated

30.09.2016, made in I.T.A.No.2037/Mds/2016 on the file of the Income Tax Appellate Tribunal 'A' Bench, Chennai for the assessment year 2006-07.

2.The appeal has been admitted on 07.06.2017, on the following substantial question of law:-

> "Whether the travel expenses and internet charges incurred in foreign currency are to be excluded from the total turnover while computing deduction under Section 10B of the Income Tax Act, 1961?"

3.Heard Mr.Karthik Ranganathan, learned Senior Standing Counsel assisted by Mr.S.Rajesh, learned Standing Counsel for the appellant - and Mr.N.V.Balaji, 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.

Sd/-
Assistant Registrar(CS-VIII)

//True Copy//
Sub Assistant Registrar

abr

To

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

2.The Commissioner of Income Tax(Appeals)6,
Chennai.

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

T.C.A.No.258 of 2017

VGII(CO)
CB(20/11/2019)