IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 20.11.2018

CORAM

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM
and
THE HONOURABLE MR.JUSTICE N.SATHISH KUMAR

Tax Case (Appeal) No.245 of 2009

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

Vs

M/s.SAS Engineering Pvt. Ltd.
No.18, New No.8, Chitharanjan Road,
Teynampet, Chennai-600 018. ... Respondent

Tax Case (Appeal) filed under Section 260-A of the Income-tax Act, 1961 against the order of the Income-tax Appellate Tribunal Bench 'C' Chennai, dated 14.08.2008, passed in I.T.A.No.61/Mds/2008 for the assessment year 2004-05.

And against the Commissioner of Income Tax(Appeals)-V, Chennai and made in I.T.A.No.547/2006-07 dated 20.09.2007 and against the Income Tax Department GIR NO.PAN.S-67/AAECS0015Q Circle-VI(C), Chennai, in the Assessment year 2004-05.

For Appellant : Mr.T.R.Senthilkumar

JUDGMENT

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

This appeal, by the Revenue filed under Section 260-A of the Income-tax Act, 1961, is directed against the order of the Income-tax Appellate Tribunal Bench 'C' Chennai, (for brevity "the Tribunal") dated 14.08.2008, in I.T.A.No.61/Mds/2008 for the assessment year 2004-05.

2. The above appeal has been admitted, on 15.04.2009, on the following substantial questions of law:-

> "(i) Whether on the facts and in the circumstances of the case, the Appellate Tribunal was right in law in giving undue weightage to the

registered valuer's valuation report describing the state of development of the land based on factors unrelated to the relevant date viz., 1.4.1982?

(ii) Whether on the facts and in the circumstances of the case, the Appellate Tribunal was right in relying on the decision of the Madras High Court in the case of Commissioner of Income Tax vs. JVK Rao (258 ITR 90) to support its conclusion without appreciating that the High Court in the said decision had quoted with approval, inter alia, the method of valuation based on the certificate from the Sub Registrar?"

3. The short question, which falls for consideration, is whether the valuation of the property, which was sold by the assessee, as adopted by the Commissioner of Income Tax (Appeals)-V (for brevity "the CIT(A)") in his order dated 20.09.2007, was proper; and whether the Tribunal was right in not interfering with the said valuation and dismissing the appeal filed by the Revenue.

4. We have perused the order passed by the CIT (A), who has taken note of the prevailing guideline value, which was adopted as yardstick by the Assessing Officer, took note of the valuation made by the Registered Valuer, appreciated the locational advantages of the property in question and after taking note of the decisions which laid down principles for adopting comparable sale instances method, fixed the value at Rs.89,250/- per ground.

5. The Revenue went on appeal before the Tribunal and the Tribunal rejected the case of the Revenue stating that what was estimated by the Commissioner was reasonable by taking the average of two valuations. Therefore, the estimation was found to be just and proper. The Court can take judicial note of the fact that during the relevant time, that is, during 1980-81, the guideline value fixed by the Sub-Registrar was based upon the last sale transaction, which took place in the area . Thus, for several years, if the sale transactions were done at a particular limit, then the guideline value remained static. It is only thereafter, the Government took a decision to revise the guideline value on a yearly basis with effect from 1st April of every month.

6. Thus, considering the factual position, we are of the view that no substantial question of law arises for consideration in the instant case, as it pertains to computation of the value of the property, which was done by the Commissioner in a particular manner, which was considered to be fair and

reasonable. Hence, for the above reasons, we find no ground to interfere with the order of the Commissioner.

7. Accordingly, the appeal stands dismissed. No costs.

Sd/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

abr/tsg

To

1. The Income-tax Appellate Tribunal Bench 'C' Chennai.

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

3. The Income Tax Department, Company Circle-VI(1), Chennai 34.

+1 cc to Mr.T.R.Senthikumar, Advocate Sr.No.79381

T.C.(A) No.245 of 2009

RR(CO)
CSL/26.12.2018