IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 04.12.2018

CORAM

THE HON'BLE DR.JUSTICE VINEET KOTHARI
AND
THE HON'BLE DR.JUSTICE ANITA SUMANTH

Tax Case Appeal No.1481 of 2010

Commissioner of Income Tax
Chennai
..Appellant/ Respondent

Vs.

R.Chandrakala
..Respondent/Appellant

Tax Case Appeal filed under Section 260A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, Madras 'A' Bench dated 10.12.2009 made in ITA No.691/Mds/09. And against the order of the Commissioner of Income Tax (Appeals)-VI Chennai dated:04/03/2009 made in ITA.No.88/08-09 against the Income Tax Officer, ward-1(1) Chennai-34, dated:10/12/2018 made in PAN.GIR.No.AADPR5260Q assessment year 2006-07.

For Appellant : Mr.T.Ravi Kumar
Senior Standing Counsel

For Respondent : Mr.S.Sridhar

J U D G M E N T
(Delivered by Dr.Vineet Kothari,J)

This Tax Case Appeal has been filed by the Revenue calling in question the correctness of the order passed by the Income Tax Appellate Tribunal, Madras 'A' Bench dated 10.12.2009 made in ITA No.691/Mds/09, by raising the following substantial questions of law:

"(i) Whether on the facts and circumstances of the case, the Tribunal was right in holding that 20% deduction had to be given on the cost of construction arrived by the assessing officer based on the DVO report who adopted the CPWD rates? and

(ii) Whether on the facts and circumstances of the case, the Tribunal was right in holding that the construction was done during February 2000 to September 2000 and thereby setting aside the direction of the CIT(A) to the assessing officer to assess the cost of construction proportionately for the relevant assessment years 2002-03 to 2006-07 during which the construction took place as per the valuation report as found by the CIT(A) as well as the assessee's submissions?"

2. When the matter is taken up for hearing, the learned Standing Counsel brought to our notice the Circular instruction issued by the Central Board of Direct Taxes vide Circular No.3/2018 dated 11.7.2018 wherein it is stipulated that appeals shall not be filed/pursued by the Department before the High Court in cases where the tax effect does not exceed Rs.50 lakhs.

3. In the instant case, the tax effect is said to be less than the monetary limit imposed and therefore, the appeal filed by the Revenue is dismissed as not pressed, keeping open the substantial questions of law for determination in an appropriate case.

Sd/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

kpl
To
1. The Income Tax Appellate Tribunal
Madras 'A' Bench

2. The Commissioner of Income Tax (Appeals) VI
Chennai.

3. Income Tax Officer
Ward I(1)
Chennai 600 034

+1cc to Mr.S.Sridhar, Advocate, S.R.No.84128
+1cc to Mr.T.Ravikumar, Advocate, S.R.No.83570

TCA No.1481 of 2010.

VGII(CO)
GSP(09/01/2019)