In the High Court of Judicature at Madras

Dated : 30.8.2019

Coram :

The Honourable Mr.Justice T.S.SIVAGNANAM
and
The Honourable Mrs.Justice V.BHAVANI SUBBAROYAN

Tax Case Appeal No.328 of 2016

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

Vs

Mr.A.V.Chandramohan ...Respondent/Appellant

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 23.9.2015 made in ITA.No.2931/Mds/2014 on the file of the Income Tax Appellate Tribunal, Chennai 'B' Bench for the assessment year 2007-08, and against the order of the Commissioner of Income Tax(Appeals-V) Chennai-34, dated 12/8/14 in ITA No.72/13-14(A)V, and against the order of the Income Tax Officer, Salary ward IV(2), Chennai-34, dated 28/03/13 in PAN AJAPC4063E.

For Appellant:Mr.T.Ravikumar, SSC and
Mrs.R.Hemalatha, SSC

Judgment was delivered by T.S.Sivagnanam,J

We have heard Mr.T.Ravikumar and Mrs.R.Hemalatha, learned Senior Standing Counsel appearing for the appellant - Revenue.

2. This appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 is directed against the order dated 23.9.2015 made in ITA.No. 2931/Mds/2014 on the file of the Income Tax Appellate Tribunal, Chennai 'B' Bench for the assessment year 2007-08.

3. The Revenue has filed this appeal 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 the assessee was entitled to claim deduction under Section 54F on all the 8 flats ignoring the language used in Section 'is a' residential house, which would mean only one house ? and

ii. Is not the finding of the Tribunal bad by holding that all the 8 flats deduction under Section 54F was available when the conditions stipulated thereunder were not satisfied as the assessee had taken possession of the constructed house only after the period of 3 years of transfer of the original assets ?"

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 08.8.2019 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 questions of law raised are 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.

Sd/-
Assistant Registrar

//True Copy//
Sub Assistant Registrar

RS

To

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

2.The Income Tax Officer,
Salary Ward IV(2),
Chennai-34.

3.The Commissioner of Income Tax (Appeals-V)
Chennai-34.

+1cc to Mr.T.Ravikumar, Advocate SR.75266

KK(CO)
CB(19/11/2019)