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.43 of 2018

Commissioner of Wealth Tax,
Central Circle I(3), Chennai. ...Appellant/Respondent

Vs

Shri V.N.Devadoss
PAN: AAFPD4228E . ..Respondent/Appellant

APPEAL under Section 27A of the Wealth Tax Act, 1961 against the order dated 31.05.2017 made in WTA.No.48/MDS/2016 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench and against the order passed by the Commissioner of Income Tax Appeals -18, Chennai 34 dated 01.09.2016 and made in W.T.A. 1/13 and against the Assessment order passed by the Deputy Commissioner of Wealth Tax, Central Circle 1(3) Chennai 34 dated 26.03.2013 for the Assessment year 2005-2006.

For Appellant : Mr.M.Swaminathan, SSC
and Ms.V.Pushpa, SC
For Respondent: No appearance

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

We have heard Mr.M.Swaminathan, learned Senior Standing Counsel, and Ms.V.Pushpa, learned 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 31.05.2017 made in WTA.No.48/MDS/2016 on the file of the Income Tax Appellate Tribunal, Chennai 'D' Bench for the assessment year 2005-2006.

3.This appeal has been filed by raising the following substantial question of law :

> "1.Whether the Tribunal was right in allowing the assessee claim deduction of 40% of the guideline value while calculating the net worth of the urban land u/s.2(eA)(v)?

2.Whether the Tribunal was justified in holding that the assessee is entitled to the deduction of 40% of guideline value in respect of the valuation of the urban land even though the assessee has neither developed the land into Plot on the date of valuation nor intention to develop the land into plots and the entire land was sold as one piece of Capital Asset?"

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 framed 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. No costs.

s/d-
Assistant Registrar(CS VI)

True Copy

Sub-Assistant Registrar

cse
To
1.The Income Tax Appellate Tribunal, Chennai 'D' Bench.

2.The Commissioner of Income Tax (Appeals)18
Chennai 34.

3.The Deputy Commissioner of Wealth Tax
Central Circle 1(3) Chennai 34.

+1 CC to Mr.M.Swaminathan, Advocate sr 74852.

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RK(CO)
SP(05/11/2019)