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.457 of 2018

Commissioner of Income Tax I,
121, M.G.Road, Chennai. ...Appellant/Respondent

Vs

Mr.Ram Ravikirhsnan
PAN: AACPR3430R ...Respondent/Appellant

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 17.06.2014 made in ITA.No.1884/MDS/2012 on the file of the Income Tax Appellate Tribunal, Chennai 'C' Bench for the assessment year 2009-10 against the order of Commissioner of Income Tax (Appeals)V, Chennai 34 dated 11.09.2012 in I.T.A. V, I.T.A. No. 213/2011-2012 against the order of the Assistant Commissioner of Income Tax, Company Circle V(3) Chennai dated 20.12.2011 in PAN/GIR No. AACPR3430R.

For Appellant : Mr.T.R.Senthilkumar, SSC assisted by Ms.K.G.Usharani

For Respondent: Mr.R.Lakshmi Ratan

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

We have heard Mr.T.R.Senthilkumar, learned Senior Standing Counsel, assisted by Ms.K.G.Usharani, learned counsel appearing for the appellant/revenue and Mr.R.Lakshmi Ratan, learned counsel appearing for the respondent/assessee.

2.This appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 is directed against the order dated 17.06.2014 made in ITA.No.1884/MDS/2012 on the file of the Income Tax Appellate Tribunal, Chennai 'C' Bench for the assessment year 2009-10.

3.The appeal has been filed by raising the following substantial questions of law :

> "1.Whether the ITAT is granting benefit of exemption u/s.54 of the Act when the assessee did not invest the Capital Gain in any Capital Gains Account scheme in any Nationalized Bank, before the due date of filing of return, thus the assessee did not satisfy the conditions laid down in Section 54(2) of the IT Act?
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> 2.Whether the ITAT is right in granting benefit of exemption u/s.54 of the Act, when the property which does not fits into the description of the Long Term Capital Asset in Section 54 that is, being building or lands appurtenant thereto, and being a residential house, the income of which is chargeable under the "Income from House Property"?"

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-I)

True Copy

Sub-Assistant Registrar

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

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

3.The Assistant Commissioner of Income Tax
Company Circle V(3) Chennai

TCA.No.457 of 2018

KK(CO)
SP(04/11/2019)