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.465 of 2018

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

Vs

Shri A.Rajalakshmi
PAN: AGBPR6558F ...Respondent/Appellant

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 21.06.2017 made in ITA.No.514/MDS/2017 on the file of the Income Tax Appellate Tribunal, Chennai 'B' Bench for the assessment year 2012-13. Appeal against the Order dated 31.01.2017 made in ITA No.34/2015-16/CIT(A)-3 on the file of the Commissioner of Income Tax (Appeals)-3, Chennai -34, for the Assessment Year 2012-13. Appeal against the Order dated 26.03.15 made in PAN.AGBPR6558F on the file of the Income Tax Officer, Corporate Ward 5(4),Chennai for the Assessment Year 2012-13.

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

For Respondent : Mr.M.P.Senthil Kumar

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

We have heard Mr.T.Ravikumar, learned Senior Standing Counsel, and Ms.R.Hemalatha, learned Senior Standing Counsel appearing for the appellant/revenue and Mr.M.P.Senthil Kumar, 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 21.06.2017 made in ITA.No.514/MDS/2017 on the file of the Income Tax Appellate Tribunal, Chennai 'B' Bench for the assessment year 2012-13.

3.The appeal was admitted on 18.07.2018 on the following substantial question of law :

"Whether deduction under Section 54 of the Income Tax Act, 1961, is allowable on investment made in a residential house, when construction of the residential house is not even started within a period of three years from the date of transfer of the original 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 question of law framed is 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.

cse

Sd/-
Assistant Registrar(CS VI)

//True Copy//

Sub Assistant Registrar

To

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

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

3. The Income Tax Officer,
Corporate Ward 5(4),Chennai

+1cc to Mr.T.Ravikumar, Advocate, SR.No.73650
+1cc to Mr.G.Baskar, Advocate, SR.No.74245

TCA.No.465 of 2018

Kak(23/10/2019)