IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 26.08.2019

CORAM

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM
and
THE HONOURABLE MRS.JUSTICE V.BHAVANI SUBBAROYAN

Tax Case Appeal Nos.198 and 199 of 2014

Commissioner of Income Tax,
Puducherry,
D.P.Thottam, Muthialpet,
Puducherry-605 003. .. Appellant/Appellant in both Appeals

-vs-

Shri K.A.Shenbagarajan,
No.338, M.G.Road,
Muthialpet,
Puducherry-605 003.
PAN: AAW PR 0123 N .. Respondent/Respondent in T.C.A.No.198 of 2014

Shri A.Rajasekaran,
No.338, M.G.Road,
Muthialpet,
Puducherry-605 003.
PAN: AAW PR 0123 N .. Respondent/Respondent in T.C.A.No.199 of 2014

Common Prayer: APPEALS under Section 260A of the Income Tax Act, 1961 against the orders dated 21.10.2013, made in I.T.A.Nos.424 & 425(Mds)/2013 on the file of the Income Tax Appellate Tribunal 'A' Bench, Chennai for the assessment year 2009-10.

Common Prayer:
I.T.A.Nos.424 and 425(mds)/2013 against the Commissioner of Income Tax(Appeals) XII, Chennai-34, in ITA Nos.358 and 359/2011-12 order dt 8/11/2012 in GI No/PA No.AAWPR0123N and AAEPR7577F for the Assessment year 2009-2010 against the Income Tax Officer, ward I(2), Pondicherry, in PA No/GIR No.AANPS0123N and AAEPR7577F in the Assessment Year 2009-2010 order dated 31/3/2009.

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For Appellant :Mr.T.R.Senthil Kumar, SSC
(In both Appeals)assisted by Ms.K.G.Usharani,
Standing Counsel

For Respondents :Mr.T.Vasudevan
(In both Appeals)

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COMMON JUDGMENT
(Delivered by T.S.Sivagnanam, J.)

These appeals filed by the Revenue under Section 260A of the Income-tax Act, 1961 are directed against the orders dated 21.10.2013, made in I.T.A.Nos.424 & 425(Mds)/2013 on the file of the Income Tax Appellate Tribunal 'A' Bench, Chennai for the assessment year 2009-10.

2.The above appeals were admitted on 21.04.2014, on the following substantial questions of law:-

> "(i) Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in law in holding that the sale of land is agriculture in nature, when the guideline value determined by the Revenue Authority is not as per the agricultural land?
>
> (ii) Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in confirming the order of CIT(A) that the provisions of Section 54B of the Act has no application as the agricultural lands sold by the assessee are not 'capital assets' within the meaning of Section 2(14) of the Act?"

3.Heard Mr.T.R.Senthil Kumar, learned Senior Standing Counsel assisted by Ms.K.G.Usharani, learned Standing Counsel for the appellant - and Mr.T.Vasudevan, learned counsel for the respondent.

4.The learned Senior Standing Counsel for the appellant submits that the above appeals are not pursued by the Revenue on account of the low tax effect in terms of Circular No.17/2019, dated 08.08.2019 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.

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5.In the light of the said submissions, the above tax case appeals are 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 appeals to be heard and decided on merits. No costs.

Sd/-
Assistant Registrar(CS-VIII)

//True Copy//
Sub Assistant Registrar

abr

To

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

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

3.The Income Tax Officer, Ward I(2)
Pondicherry.

+1cc to Mr.T.R.Senthil Kumar, Advocate SR.72909/19
+2cc to Mr.R.Janakiraman, Advocate SR.72485, 72486

T.C.A.Nos.198 and 199 of 2014

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

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