IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 23.07.2021

CORAM

THE HON'BLE MR.JUSTICE M.DURAISWAMY
AND
THE HON'BLE MRS.JUSTICE R.HEMALATHA

T.C.A.NO.38 OF 2012

Commissioner of Income Tax -I,
Chennai. ... Appellant/Appellant

Vs.

M/s.Arihant Foundations & Housing Limited,
271, Poonamallee High Road,
Kilpauk, Chennai - 600 010. ... Respondent/Respondent

Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras, “C” Bench, dated 20.07.2011 in I.TA.No.657/Mds/2011, Assessment Year 2005-06 and against the Order of the Commissioner of Income Tax (Appeals)-III, dated 14.01.2011 made in ITA.No.147/09-10/A-111 and against the order of the Assistant Commissioner of Income Tax Company Circle (1), Chennai dated 26.12.2007 made in PA/G.I.R.No.AAAC47402P/AX6-691 to the Assessment Year 2005-06.

For Appellant : Mr.T.Ravi Kumar,
Senior Standing Counsel

For Respondent : Ms.Sriniranjani
for Mr.N.Muthukumar

JUDGMENT
(Judgment was delivered by M.DURAISWAMY, J.)

We have heard Mr.T.Ravi Kumar, learned Senior Standing Counsel for the appellant/Revenue and Ms.Sriniranjani, learned counsel for the respondent/assessee.

2.The appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 (for short, the Act) is directed against the order dated 20.07.2011 made in I.TA.No.657/Mds/2011 on the file of the Income Tax Appellate Tribunal, Chennai, “C” Bench (for brevity, the Tribunal) for the Assessment Year 2005-06.

3.The appeal was admitted on 27.03.2012 on the following substantial questions of law:

> "1)Whether on the facts and in the circumstances of the case, the Income Tax Appellate Tribunal was right in dismissing the Revenue's appeals as infructuous without going into the reasons discussed in the assessment orders wherein it has been made a clear that the Chennai Metropolitan Development Authority, which issued the Plan Permit had not issued any completion certificate to the effect that the project was completed before 31.03.2008 which was condition to be satisfied for being eligible for the deduction u/s. 80-1B(10)?"

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 08.08.2019 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.

5.In the light of the said submissions, the above Tax Case Appeal is dismissed as withdrawn on account of the Low Tax Effect. The substantial questions of law framed are left open. In the event the tax effect in this case 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.

Sd/-
Assistant Registrar(CS IX)

//True Copy//

Sub Assistant Registrar

mtl

To

1. The Income Tax Appellate Tribunal,
   Chennai, "C" Bench

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

3. The Assistant Commissioner of Income Tax,
Company Circle 1(1), Chennai.

+1cc to Mr.G.Baskar, Advocate, S.R.No.35425
+1cc to Mr.T.Ravi Kumar, Advocate, S.R.No.35171

T.C.A.No.38 of 2012

VGII(CO)
CS/16/08/2021