IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATE: 05.02.2021

CORAM:

THE HON-BLE MR. JUSTICE M.DURAISWAMY
AND
THE HON-BLE MRS.JUSTICE T.V.THAMILSELVI

T.C.A.No.529 of 2015

The Commissioner of Income Tax,
No.121, Nungambakkam High Road,
Chennai ? 600 034. ... Appellant
Vs.

M/s.Kutty Flush Doors & Furniture
Company Pvt. Ltd.,
167, Poonamallee High Road,
Koyambedu, Chennai ? 600 107. ... 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 29.10.2014 in I.TA.No.2018/Mds/2014 Assessment Year 2007-08.

against the Commissioner of Income Tax(Appeals)-II, 121 Mahatma Gandhi Road, Nungambakkam, Chennai-600 034, dated 26/02/2014, ITA.No.1399/2013-2014 G.I.No./P.A.No.AAAck1422F for the Assessment year 2007-2008 and against the order of the Assistant Commissioner of Income Tax, Company Circle II(4) Room No.514, New Block 121 M.G.Road Chennai 600 034 dated 11/11/2011 PAN/GIR/No.AAACK1422F, WARD/Circle/ACIT; Company Circle II(4) Status Company for the Assessment year 2007-2008.

For Appellant : Mr.Karthick Ranganathan,
Senior Standing Counsel

For Respondent : Mr.S.Sridhar

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

We have heard Mr.Karthick Ranganathan, learned Senior Standing Counsel for the appellant/Revenue and Mr.S.Sridhar, learned counsel for the respondent/assessee.

2.The appeals, filed by the Revenue under Section 260A of the Income Tax Act, 1961 (for short, the Act) are directed against the order dated 29.10.2014 made in I.TA. No.2018/Mds/2014 on the file of the Income Tax Appellate Tribunal, Chennai, "C" Bench (for brevity, the Tribunal) for the Assessment Year 2007~08.

3.The appeal was admitted on 23.07.2015 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 applying the value of the land at the average of the valuation rate adopted by the assessee for the purpose of arriving at the fair market value (FMV) of the property as on 01.04.1981 especially when no such method is provided in the Income Tax Act or Rules?

2)Whether on the facts and circumstances of the case, the Income Tax Appellate Tribunal was correct in rejecting the value adopted by the Revenue on the basis of the guideline value, which is fixed by the SRO in the area where the land is situated?

3)Whether the guideline value issued by the State Government could not be the basis for arriving at the Fair Market Value of the property especially when the assessee did not produce any other evidence other than an valuation report which supports its case?

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.

-s/d-
Assistant Registrar

True Copy

Sub-Assistant Registrar

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To

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

2.The Commissioner of Income Tax(Appeasl)-II,
121 Mahatma Gandhi Road Nungambakkam
Chennai 600 034

3.The Assistant Commissioner of Incomt Tax
Company Circle IV(4) Room No.514 New Block
121 M.G.Road, Chennai-600 034

T.C.A.No.529 of 2015

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