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.Nos.514 & 515 of 2013

The Commissioner of Income Tax,
Chennai. ... Appellant in both TCAs

Vs.

M/s.Kutty Flush Doors & Furniture
Company Pvt. Ltd.,
167, Poonamallee High Road,
Koyambedu, Chennai - 600 107. ... Respondent in both TCAs

Appeals preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras, "B" Bench, dated 18.02.2013 in I.TA.Nos.1211/Mds/2010, 1547/Mds/ 2010 Assessment Year 2006-07.

TCA.No.514 & 515 of 2013: against the order of the Commissioner of Income tax(Appeals)-III 121, Mahatma gandhi Road, Chennai 600 034 ITA.No.437/08-09/A.III dated 28/06/2010 PAN.AAACK1422F for the Assessment year 2006-07 and against the order of the Assistant Commissioner of Income Tax, Company Circle III(4) Room No.514, New block 121 M.G.Road Chennai 600 034 dated 29/12/2008 PAN/GIR.No.AAACK1422F ward/Circle ACIT/Company CircleII(4) Status Company for the Assessment year 2006-2007 Respectively.

For Appellant : Mr.Karthick Ranganathan,
(in both TCAs) Senior Standing Counsel

For Respondent : Mr.S.Sridhar
(in both TCAs)

COMMON 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 18.02.2013 made in I.TA.Nos.1211/Mds/2010 and 1547/Mds/2010 on the file of the Income Tax Appellate Tribunal, Chennai, "B" Bench (for brevity, the Tribunal) for the Assessment Year 2006-07.

3.The appeals were admitted on 23.09.2013 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 directing the Assessing Officer to adopt fair market value (FMV) of the property as on 01.04.1981 at Rs.5,97,062/-?
>
> 2)Whether 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 a valuation report which supports his case?
>
> 3)Whether the Tribunal was right in holding that the average value is to be adopted for arriving at the FMV of the property as on 01.04.1981 especially when no such method is provided in the IT Act or its Rules?
>
> 4)Is not the finding of the Tribunal perverse especially after holding that reverse indexation method adopted by the assessee's valuer was not absolute free from errors and consequently directing the FMV of the property to be arrived at by taking the average value of the claim made by the assessee and that of the Department?"

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 Appeals are 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 appeals to be heard and decided on merits. No costs.

Sd/-
Asst.Registrar (CS VII)

/true copy/

Sub Asst. Registrar

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To

1.The Income Tax Appellate Tribunal,(Appeals)-III
Chennai, "B" Bench

2.The Commissioner of Income Tax,
121 Mahatma Gandhi Road
Chennai-34

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

T.C.A.Nos.514 & 515 of 2013

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