IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 21.03.2022

CORAM :

THE HONOURABLE MR. JUSTICE R. MAHADEVAN
AND
THE HONOURABLE MR. JUSTICE J.SATHYA NARAYANA PRASAD

TCA.NO.1456 OF 2010

Commissioner of Income Tax,
Chennai.
... Appellant

Vs

M/s. SAS Engineering P.Ltd.,
No.18, New No.8,
Chittaranjan Road,
Teynampet, Chennai 600 018.
... Respondent

Appeal preferred under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, "D" Bench, Chennai, dated 18.02.2010 in I.TA.No.1807/Mds/2009 Assessment Year 2005-2006.

As against the order of the Commissioner of Income Tax (Appeals-V) Chennai made in ITA.No.360/07-08 dated 24.09.2009 as against the order of the Assistant Commissioner of Income Tax Company Range VI(1), Chennai-34 in PAN.No.AAECS0015Q dated of order 31.12.2007 for the Assessment Year 2005-2006.

For Appellant : Mr.J.Narayanasamy
Senior Standing Counsel

For Respondent : Mr.R.Ganesh Kumar

JUDGMENT
(Judgment of the Court was delivered by R.MAHADEVAN, J.)

This tax case appeal has been filed by the appellant / Revenue, challenging the order dated 18.02.2010 passed by the

Income Tax Appellate Tribunal, 'D' Bench, Chennai, in I.TA.No.1807/Mds/2009, relating to the assessment year 2005-2006.

2. By order dated 22.03.2011, this court admitted the aforesaid tax case appeal on the following substantial question of law:

> "Whether on the facts and in the circumstances of the case, the Income-Tax Appellate Tribunal was right in adopting the fair market value / cost of acquisition of the land at Rs.89,250/- per ground as on 01.04.1981 as against Rs.3,500/- per ground which was the guideline value as per the Sub Registrar valuation?"

3. Heard the learned counsel appearing for both sides, who jointly submitted that a Co-ordinate Bench of this court by judgment dated 20.11.2018 in T.C.A.No.245 of 2009 in respect of the assessee's own case, decided the identical question of law against the Revenue. The relevant passage of the said judgment can profitably be extracted below:

> "3. The short question, which falls for consideration, is whether the valuation of the property, which was sold by the assessee, as adopted by the Commissioner of Income Tax (Appeals)-V (for brevity "the CIT(A)") in his order dated 20.09.2007, was proper; and whether the Tribunal was right in not interfering with the said valuation and dismissing the appeal filed by the Revenue.
>
> 4. We have perused the order passed by the CIT (A), who has taken note of the prevailing guideline value, which was adopted as yardstick by the Assessing Officer, took note of the valuation made by the Registered Valuer, appreciated the locational advantages of the property in question and after taking note of the decisions which laid down principles for adopting comparable sale instances method, fixed the value at Rs.89,250/- per ground.
>
> 5. The Revenue went on appeal before the Tribunal and the Tribunal rejected the case of the Revenue stating that what was estimated by the Commissioner was reasonable by taking the average of two valuations. Therefore, the estimation was found to be just and proper. The Court can take judicial note of the fact that during the relevant time, that is, during 1980-81, the guideline value fixed by the Sub-Registrar was based upon the last sale transaction,

which took place in the area . Thus, for several years, if the sale transactions were done at a particular limit, then the guideline value remained static. It is only thereafter, the Government took a decision to revise the guideline value on a yearly basis with effect from 1st April of every month.

6. Thus, considering the factual position, we are of the view that no substantial question of law arises for consideration in the instant case, as it pertains to computation of the value of the property, which was done by the Commissioner in a particular manner, which was considered to be fair and reasonable. Hence, for the above reasons, we find no ground to interfere with the order of the Commissioner.

7. Accordingly, the appeal stands dismissed. No costs."

4. Following the above decision, the substantial question of law is answered in favour of the assessee and against the Revenue. Accordingly, the Tax case Appeal filed by the Revenue stands dismissed. No costs.

Sd/-
Assistant Registrar(CO)

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Sub Assistant Registrar

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To

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

2. Commissioner of Income Tax,
Chennai.

3. The Assistant Commissioner of Income Tax,
Company Circle VI (1), Aayakar Bhavan,
New Block, 121, M.G.Road, 7th Floor,
Chennai - 600 034.

4. The Commissioner of Income Tax (Appeals) - V,
   Chennai.

5. The Additional Commissioner of Income Tax,
   Company Range VI, Chennai-34.

+1cc to Mr.R.Ganesh Kumar, Advocate, S.R.No.18747

TCA.No.1456 of 2010

SPD(CO)
PM/05/04/2022